

# **Insights into South African wine consumer behavior: A mixed methods study**

by

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Thesis presented in partial fulfilment of the requirements for the degree of

**Master of Science**

at

**Stellenbosch University**

Institute of Wine Biotechnology, Faculty of AgriSciences

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April 2019

## Declaration

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Date: April 2019

## Summary

South Africa is not considered a wine drinking nation. Wine is faced by competition, especially from beer and ready-to-drink beverages, for a larger share of the local alcoholic beverage market. Therefore, the wine industry is striving to increase wine consumption by becoming more consumer-oriented. However, published research on the South African wine consumer behavior is limited.

During the planning stages of this study, discussions held with members of the South African wine industry confirmed that an understanding of the local wine consumer is lacking. Generation Y (born between 1981 and 1996) was identified as the emerging consumer segment that show potential for increased wine consumption. Therefore, the overall aim of this study was to gain insight into the behavior of South African wine consumers. Considering the complexity of understanding consumer behavior and the lack of studies in a South African wine context, the appeal of an exploratory sequential mixed methods design type was recognized. An initial qualitative phase was used to identify themes that should be investigated in the quantitative follow-up phase, to gain a deeper understanding of the South African wine consumer.

In the first, qualitative phase of the research, seven semi-structured interviews were held with South African wine industry role-players. Thematic text analysis of the transcribed interviews was used to identify themes relating to factors that are of importance to Generation Y in making a wine selection. Six themes were identified, namely *what is on or around the wine bottle is of importance, the wine's sensory appeal is of importance, consumers want to connect to the wine personally and/or socially, consumers want to make an informed decision, consumers will look out for something they haven't seen before, and consumers will consider the consumption and/or purchase situation*. Generation Y was said to differ from older, more experienced wine consumers.

The second phase of the research involved the design of a quantitative survey by building the qualitative findings into closed-ended questions and choice items for Best-worst Scaling. The survey was tested on Generation Y and their preceding generation, namely Generation X (born between 1965 and 1980). The four most important attributes (among a total of 13 attributes) in making a wine selection were the same for both generations, namely *pleasant taste*, followed by *experienced it before, trust the brand* and *price*.

The study made a significant contribution towards validating the use of mixed methods for wine and consumer behavior research. The findings from both the qualitative and quantitative

phases helped in gaining a deeper insight into the wine behavior of Generation Y consumers and highlighted generation-based differences.

## Opsomming

Suid-Afrika word nie as 'n wyn-drinkende nasie beskou nie. In die Suid-Afrikaanse mark vir alkoholiese drankies kompeteer wyn veral met bier en “gereed om te drink” alkoholiese drankies om 'n groter marktaandeel. Derhalwe streef die wynbedryf om wynverbruik te verhoog deur meer verbruikersgerig te word. Gepubliseerde navorsing oor Suid-Afrikaanse wyn verbruikersgedrag is egter beperk.

Tydens die beplanningsfase van hierdie studie, het gesprekke met lede van die Suid-Afrikaanse wynbedryf bevestig dat 'n in-diepte industriebegrip van die plaaslike wynverbruiker ontbreek. Generasie Y (gebore tussen 1981 en 1996) is geïdentifiseer as die opkomende verbruikersegment wat potensiaal toon vir verhoogde wynverbruik. Daarom was die oorkoepelende doel van hierdie studie om insig te verkry in die wynverbruiksgedrag van Suid-Afrikaanse Generasie Y wynverbruikers. Met inagneming van die kompleksiteit van verbruikersgedrag en die gebrek aan gepubliseerde studies in 'n Suid-Afrikaanse wyn konteks, is die geskiktheid van 'n verkennende opeenvolgende gemengde metodes eksperimentele benadering erken. 'n Aanvanklike kwalitatiewe fase is gebruik om temas vir verdere ondersoek te identifiseer. Hierdie temas is in die kwantitatiewe opvolg fase gebruik om beter insig in die Suid-Afrikaanse wynverbruiker te kry.

In die eerste, kwalitatiewe fase van die primêre navorsing, is sewe semi-gestruktureerde onderhoude gevoer met rolspelers in die Suid-Afrikaanse wynbedryf. Tematiese teksontleding van die getranskribeerde onderhoude is gebruik om temas te identifiseer wat verband hou met faktore wat van belang is vir Generasie Y wynverbruikers wanneer 'n wyn geselekteer word. Ses temas is geïdentifiseer, naamlik; wat op of om die wynbottel verskyn is van belang; die sensoriese aantreklikheid van die wyn is van belang; verbruikers wil persoonlik en/of sosiaal met die wyn assosieer; verbruikers wil 'n ingeligte besluit neem; verbruikers kyk uit vir iets wat hulle voorheen nog nie gesien het nie, en verbruikers sal die geleentheid/koop situasie in ag neem.

Die tweede fase van die navorsing het die ontwerp van 'n kwantitatiewe vraelys behels. Laasgenoemde is gedoen deur die kwalitatiewe bevindinge in te bou in geslote vrae en keuse items vir 'n evaluering wat op die “Best-Worst Scaling” metode berus het. Die vraelys is vervolgens geloods op 'n steekproef van Generasie Y en hul voorafgaande generasie, naamlik Generasie X (gebore tussen 1965 en 1980) respondente. Die vier belangrikste eienskappe (uit 'n totaal van 13) wat tydens die keuse wyn gefigureer het was identies vir beide generasies, naamlik aangename smaak, gevolg deur voorheen ervaar, vertrou die handelsmerk en prys.

Die studie het 'n beduidende bydrae gemaak tot die bevestiging van die gebruik van gemengde metodes vir wyn- en verbruikersgedragnavorsing. Die bevindinge van beide die kwalitatiewe en kwantitatiewe fases het bygedra tot die ontwikkeling van 'n dieper insig in die wynverbruik gedrag van Generasie Y verbruikers en het verder generasie gebaseerde verskille uitgewys.

This thesis is dedicated to  
my wonderful sister, **Yolande Schulz**,  
without whose encouragement and support I would never had made it this far

**[PSALM 23]**

## **Biographical sketch**

Claudia Gevers was born in Piet Retief, South Africa on the 4<sup>th</sup> of May 1994. She moved to Benoni shortly afterward and matriculated at Hoërskool Kempton Park in 2012. Claudia obtained a BSc (Hons) Food Science Degree at the University of Pretoria in 2016. She moved to Stellenbosch in 2017 to enroll for an MSc in Wine Biotechnology at the Institute for Wine Biotechnology, Department of Viticulture and Oenology, Stellenbosch University.



## Acknowledgments

I wish to express my sincere gratitude and appreciation to the following persons and institutions:

- **Dr Hélène H. Nieuwoudt** (Institute for Wine Biotechnology, Department of Viticulture and Oenology, Stellenbosch University) for guidance throughout the study and imparting valuable life lessons that have helped me through both personal and academic challenges
- **Dr Chris D. Pentz** (Department of Business Management, Stellenbosch University) for marketing knowledge, guidance, infinite friendliness and words of encouragement
- **Prof Timothy C. Guetterman** (University of Michigan, Michigan, USA) for mixed methods knowledge, guidance and his pleasant nature throughout all our interactions, both in person and during Skype meetings
- **Prof Martin Kidd** for assistance and guidance with statistical analyses of the data
- The Sensory Lab staff (**Jeanne Brand and Valeria Panzeri**) and students, especially **Tshepo Mokonotela**, for their support and input
- The **Institute for Wine Biotechnology** for financial support
- **WineTech** (IWB-T-W15\_01) and **Department of Science and Technology** (*Multi-cultural wine quality perception*) for project funding
- **Industry role-players** for their time and speedy responses to numerous e-mails
- **Gaby Petrovic**, who supported me through an extremely challenging time in my life and without whom the road to the completion of this thesis would have been a lot less entertaining
- **Isabel Greyling**, who has been with me every step of the way - first as a fellow student, second as a flat-mate, forever as a beloved friend
- **Shaney Hansen**, my dear sister, for helping me with final editing of this thesis
- **Papa, Mama, Udo, Yolande, Mark, Shaney, Jens und Ingrid**: Ich danke Euch vielmals für eure Hilfe und emotionale Unterstützung in dieser herausfordernden Zeit
- The friends (especially **Kylie, Michaela and Andrea**) and family who supported me from a distance and showered me with love every chance they got
- The **Geary family** for saving me from endless amounts of boiled eggs and sauerkraut during my last days of writing up
- My **community group** for encouragement, guidance, adventures and their heartfelt prayers
- And above all, the **Lord Almighty**, without Whom this would all mean absolutely nothing

## Preface

This thesis is presented as a compilation of 6 chapters. Each chapter is introduced separately and is written according to the style of the Journal of Mixed Methods Research (<https://uk.sagepub.com/en-gb/afr/journal-of-mixed-methods-research/journal201775#submission-guidelines>), to which Chapters 4 and 5 will be submitted for publication. This included the use of the APA 6<sup>th</sup> edition referencing style ([http://student.ucol.ac.nz/library/onlineresources/Documents/APA\\_Guide\\_2017.pdf](http://student.ucol.ac.nz/library/onlineresources/Documents/APA_Guide_2017.pdf)), US spelling and the inclusion of an abstract for research Chapters 4 and 5. The specified type set, placement of figures and tables, and blinding of authors were not conformed to for the thesis version.

**Chapter 1**      **General introduction and project aim**

**Chapter 2**      **Literature review**  
The South African wine industry and consumer behavior

**Chapter 3**      **Literature review**  
The three research paradigms: Mixed methods, qualitative and quantitative

**Chapter 4**      **Research findings**  
Qualitative exploration of the South African wine consumer market

**Chapter 5**      **Research results**  
Investigating South African wine consumer behavior: A comparison between Generation X and Y

**Chapter 6**      **General discussion and conclusion**

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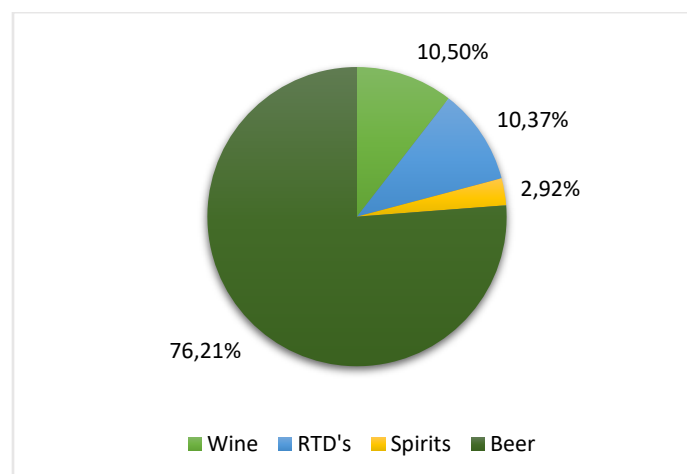
# **Chapter One**

## **Introduction and project aim**

## Chapter 1: Introduction and project aim

### 1.1 Introduction

South Africa (SA) was the world's eighth largest wine producer in 2017 (OIV, 2017a). However, with 4.4 million hectoliters (mhl) of wine consumed during 2016, the country did not feature under the top ten wine drinking nations (OIV, 2017b). Looking at the local overall market share of wine in comparison to other alcoholic beverages (Fig. 1.1), SA is understandably not considered a wine drinking nation (Bester, 2012; Demes, 2017; Foxcroft, 2009; Green, 2006). Wine accounted for only 10.5% of South African liquor consumption in terms of volume in 2017 (Fig. 1.1). Spirits accounted for 2.92%, and beer for as much as 76.21%. Ready-To-Drink (RTD) beverages, which consist of spirit coolers and alcoholic fruit beverages, accounted for 10.37% (Sawis, 2018). South Africans are evidently drinking alcoholic beverages, but most consumers are choosing other alcoholic beverages over wine. Therefore, a gap exists for wine to take a larger share of the alcoholic beverage market.



**Figure 1.1** Summary of the national market share (in terms of volume) of all liquor categories in SA in 2017 (Adapted from Sawis, 2018)

SA is diverse in terms of demographics. A useful way in which Statistics South Africa (Stats SA) stratifies the country's population is through classifying people by population group. SA consists of four population groups, namely black African, colored, Indian/Asian and white (Stats SA, 2016). The country has 11 official languages, with other languages from all over the world, such as German and Portuguese, also being spoken. SA's abundant number of languages and ethnic groups are within themselves a reflection of how culturally rich and complex the South African local market is. SA was coined as the 'Rainbow Nation' by the well-known Archbishop Desmond Tutu, which fully encompasses SA's diversity in races, creeds, tribes, landscapes and

languages (Nevitt, 2010). Therefore, it seems logical to focus research solely on understanding South Africans, especially where relatively little published research has been done to segment consumers and understand their behavior regarding wine.

An intensive, long-term strategy that addresses the challenges faced by the country's wine market was formulated in 2015, namely the Wine Industry Strategic Exercise (WISE). The strategy is driven by several organizations within the wine and brandy industry, namely Wines of SA, Wine Industry Network for Expertise and Technology, SA Wine Industry Information and Systems (SAWIS), South African Liquor Brand owners Association, and VinPro. One of the key action points proposed by WISE is to promote the brand of SA with the objective of revitalizing the local wine market by elevating the category's status within the overall alcohol offering in SA (Augustyn & Heyns 2016). Research driven by the strategy confirmed that the industry has a poor understanding of the local wine consumer's behavior (Loots, 2016). The opinion was also voiced that the SA wine industry should become more consumer-focused to gain a better understanding of the market; potentially stimulating a wine drinking culture amongst a bigger proportion on the population (Loots, 2016).

Previous studies conducted at the Institute of Wine Biotechnology, Department of Viticulture and Oenology (IWBTDVO), Stellenbosch University investigated SA consumers' perceptions of white wine cultivars, notably Chenin blanc and Sauvignon blanc (Mapheleba, 2018; Weightman, 2018). Results showed that consumers, in general, are mostly not knowledgeable about the technical details of wine cultivars, raising doubt about the effectiveness of cultivar-specific marketing strategies at this stage. Thus, at the onset of this study, informal discussions were held with wine industry professionals to obtain their opinions on the value of using cultivar-specific marketing strategies. These discussions confirmed the results of the studies mentioned above and prompted the researcher to shift focus from cultivar-specific research to SA wine consumer behavior.

Due to the dearth of published research on South African wine consumers, an in-depth exploration of the local wine consumer market was required. We, therefore, chose to initiate this study through interviews with industry role-players based on their first-hand experience and close contact with consumers on the one hand and their intimate knowledge of the product *wine* on the other. The motivations for initiating the study through interviews with industry role-players, as opposed to the consumers themselves, were twofold: (i) providing focus from *a South African perspective* on the broad topic of wine consumer behavior; and (ii) providing themes that could be included in the second phase of the study where consumers themselves gave their evaluation of wine behavioral factors.



The interviews also brought renewed focus on the young wine consumer. Lategan, Pentz and du Preez (2017) provided useful information on the relative importance of attributes guiding a wine selection of South African Generation (Gen) Y consumers. Gen Y presents significant opportunities for the struggling domestic market and has been described as the new wine growth market (Lategan et al., 2017; VinIntell, 2013). Although the findings of the study of Lategan et al. provided useful implications for the South African wine industry with regards to marketing to Gen Y, the study did not compare Gen Y to other generational cohorts to justify a marketing approach unique to this segment. Therefore, within this study, a separate chapter was dedicated to benchmarking Gen Y (born between 1981 and 1996) against their preceding generation, namely Gen X (born between 1965 and 1980).

## **1.2 Problem statement**

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SA is not considered a wine drinking nation, with beer being the dominant beverage of choice over wine. Therefore, the South African wine industry is striving to take a larger share of the local alcoholic beverage market by increasing domestic wine consumption. A segment that has been identified as the new wine growth market is the Gen Y consumer.

Understanding consumers is of utmost importance to enable marketers to implement effective marketing strategies. However, there is a scarcity of published data on South African wine consumers, and more specifically the Gen Y wine consumer. Therefore, a gap exists for research to be done to gain insight into the wine behavior of SA Gen Y wine consumers.

## **1.3 Research aim and objectives**

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The overall aim of this study was to gain insight into the wine behavior of South African Gen Y wine consumers and justify if a marketing strategy unique to the segment is necessary. To accomplish the aim the following qualitative, quantitative and mixed method objectives were set:

### **1.3.1 Qualitative**

To explore and better understand the South African wine consumer market.

- Conduct semi-structured interviews with wine industry role-players
- Use thematic text analysis to identify themes within transcripts

### 1.3.2 Quantitative

To investigate South African Generation Y's (benchmarked against Generation X's) wine behavior.

- Develop a survey by adapting themes from the interviews into choice items for Best-Worst Scaling (BWS) and other closed-ended questions
- Test the survey on Gen X and Y wine consumers to investigate possible differences or similarities in wine behavior
- Determine the relative importance of attributes guiding Gen X and Y in their wine selection

### 1.3.3 Mixed methods

To identify marketing implications for Gen Y-based consumer targeting.

- Combine the quantitative and qualitative findings to provide a better understanding of Gen Y's wine consumer behavior

## 1.4 Study rationale and significance

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### 1.4.1 Methodological rationale

Although the use of MM has gained popularity in the social sciences, worldwide, the method has received little coverage in the field of marketing and consumer behavior (Harrison & Reilly, 2011). In this mixed methods (MM) study, an exploratory sequential design, which consists of collecting, analyzing and building on qualitative data for quantitative follow-up (Harrison & Reilly, 2011), was employed to aid in the development of a survey. The results of a MM study are expected to provide deeper insight into the wine behavior of Gen Y consumers than will be provided by results from only qualitative or quantitative methods (discussed in Chapter 3, Section 3.1).

BWS is an established method which has previously been used to investigate the relative importance of attributes guiding a wine selection (e.g. Cohen 2009). Therefore, BWS was an appropriate tool for the quantitative objective of this study (discussed in Chapter 3, Section 3.3). Furthermore, by gaining in-depth knowledge through qualitative enquiry, new attributes may be identified for BWS to encompass better what consumers look out for during their wine selection.

Throughout both qualitative and quantitative enquiry and their integration, this study made use of the specific scientific techniques associated with MM, as facilitated by Creswell (2015).

Rigorous methods were used for both the qualitative as well as quantitative aspects of the study, which have often been neglected in qualitative research. The negligence is shown by marketing researchers who make mention of exploratory interviews without relaying the actual data acquired to guide the researcher in developing a survey (Harrison & Reilly, 2011).

#### **1.4.2 Market-related rationale**

By identifying South African market-related wine product attributes that are important for consumers, and their relative importance to Gen Y consumers in selecting a wine, this study contributes to South African wine consumer behavior research. The research findings will aid marketers to better position wines in the local market and attempt to justify whether a differential marketing strategy is needed specifically aimed at Gen Y consumers.

#### **1.4.3 Originality of the study**

To the best of our knowledge, this study is among the first to:

- Employ MM in the investigation of wine consumer behavior, as well as to apply it in the context of the South African wine industry
- Identify attributes, to be used during BWS, through rigorous qualitative research
- Compare Gen Y to another generation in a South African wine context

#### **1.4.4 Study outcomes**

The following papers were presented at conferences:

1. Gevers, C., Pentz, C.D., Guetterman, T.C. & Nieuwoudt, H.H. (2018, September 16-19). *Looking forward... is there light at the end of the tunnel for the domestic South African wine market?* Paper presented at the SAIMS 30<sup>th</sup> Annual Conference. Stellenbosch, South Africa.
2. Gevers, C., Pentz, C.D., Guetterman, T.C. & Nieuwoudt, H.H. (2018, October 2-4). *Moving wine forward within the next generation – an investigation of how and Y.* Paper presented at the SASEV-WINETECH 41<sup>st</sup> International Conference. Somerset West, South Africa.

### **1.5 Ethical considerations**

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The study was based on the opinions and perceptions of members of the public and therefore, ethical clearance was applied for and obtained from the Humanities Ethics Committee

at the Stellenbosch University. This was done to guarantee participants' confidentiality and safety. Each participant signed a consent form agreeing to the project, and anonymity was maintained during the write-up. The industry role-players were frequently required to give verbal and written consent for the use of the information provided during their respective interviews.

## 1.6 Researcher positioning

A pragmatic research philosophy was used during the study, which involves the use of the method which appears best suited to the research problem (Saunders, Lewis & Thornhill, 2009; Dudovskiy, 2017). Pragmatic researchers recognize that there are numerous ways in which research can be undertaken and that the world can be interpreted from more than one point of view (Saunders, Lewis & Thornhill, 2012). Therefore, as seen in Table 1.1, the pragmatism research philosophy enables studies to integrate multiple research methods (qualitative and quantitative). Unlike with positivism and interpretivism, more than one research strategy and approach can be integrated (Dudovskiy, 2017).

Positivism, as a philosophy, follows the belief that only factual data, such as the data gained through measurement, can be trusted (Dudovskiy, 2018). Interpretivism, on the other hand, incorporates human interaction into a study to develop new knowledge, thus driving qualitative research (Edirisingha, 2012). Considering the favor of pragmatism for both qualitative and quantitative research, it is historically the most commonly chosen philosophy for mixed methods research.

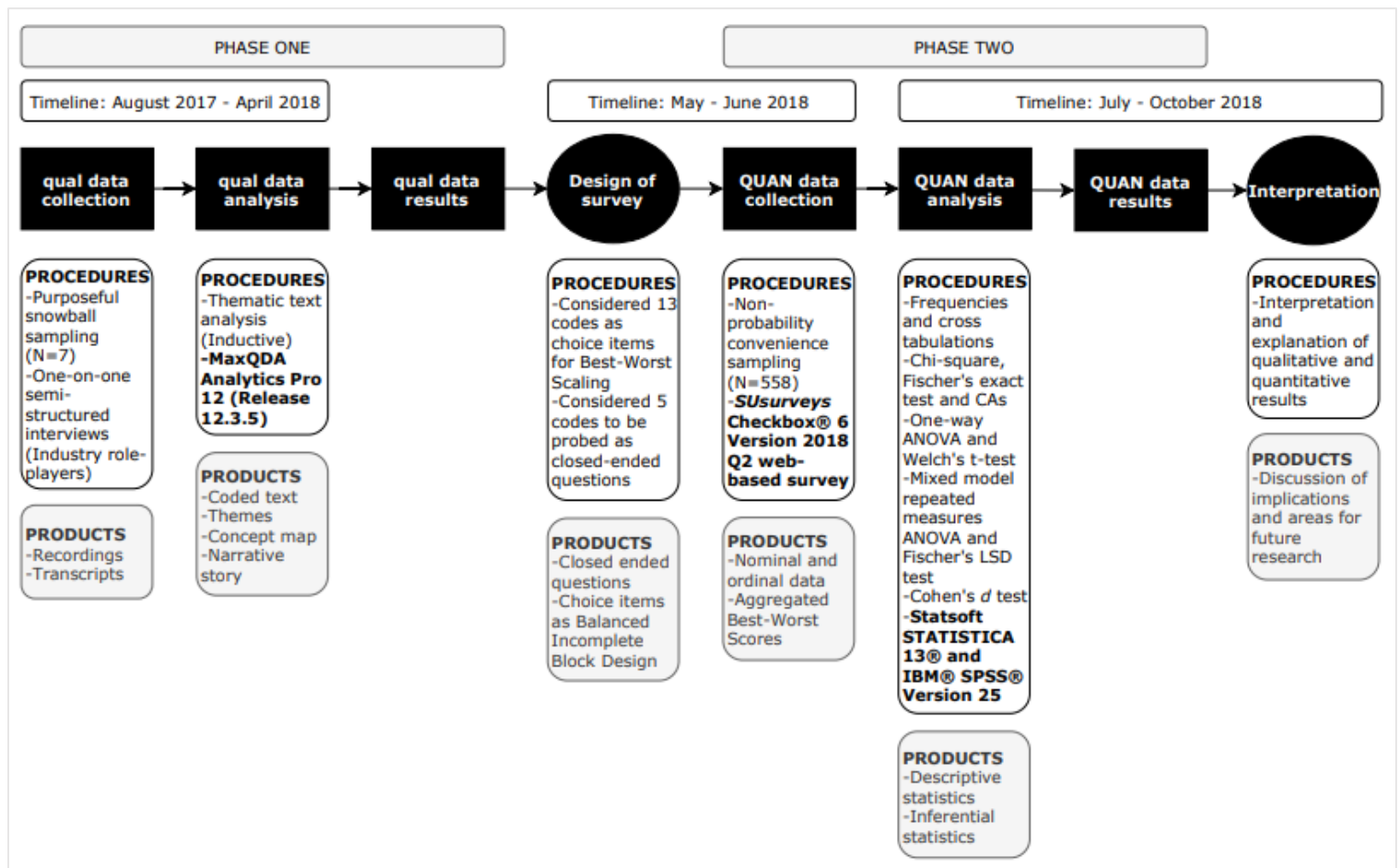
**Table 1.1** Positivism, interpretivism and pragmatism (Wilson, 2010)

	<b>Research approach</b>	<b>Ontology</b>	<b>Axiology</b>	<b>Research strategy</b>
<b>Positivism</b>	Deductive	Objective	Value-free	Quantitative
<b>Interpretivism</b>	Inductive	Subjective	Biased	Qualitative
<b>Pragmatism</b>	Deductive/Inductive	Objective or subjective	Value-free/biased	Qualitative and/or quantitative

Within this MM study, the qualitative aspect followed an inductive (building theory) (Saunders et al., 2009) approach, while a deductive (testing theory) (Saunders et al., 2009) approach was used within the quantitative phase.

## 1.7 Method of procedure

Fig. 1.2 provides a summary of the experimental design within a procedural diagram as guided by Creswell (2015). The diagram includes all the essential elements of a procedural diagram: boxes indicate data analysis and collection, circles indicate integration and interpretation, procedures and products briefly summarized with text, and arrows indicate the procedural sequence. 'Procedures' (Fig. 1.2) refer to the method of data collection and analysis and 'products' (Fig. 1.2) to the specific outcomes of each procedure.



**Figure 1.2** An exploratory sequential design of the mixed methods study of South African wine consumer's behavior

A review of the literature was conducted and presented in Chapters 2 and 3. The research commenced in Chapter 4 through interviews with seven industry role-players. In Chapter 5, themes from interviews were identified and used as variables in the design of a quantitative survey utilising BWS. The survey was used in a study with 558 respondents who either fall into the

generational group X or Y. Chapter 6 combined the qualitative and quantitative results to inform the marketing implications of the study better.

## 1.8 References

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# **Chapter Two**

## **Literature review**

The South African wine industry and  
consumer behavior



## Chapter 2: The South African wine industry and consumer behavior

### 2.1 An overview of wine in a South African context

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In South Africa (SA), wine production forms part of the country's oldest commercial activities (Meissenheimer, Karaan & Vink, 2004). As stated by James (2013), the first South African wine was produced more than 350 years ago. Considering the absence of a wine culture in SA, as mentioned in Chapter 1, and the advanced age of the wine industry, it was theorized that an understanding of the South African wine industry's history would assist in better understanding the current state of the local wine market. By gaining a more informed perspective of the local market, it would also be possible to guide the interview protocol used within Chapter 4. Therefore, the following section will give an overview of historical events that have impacted the wine industry.

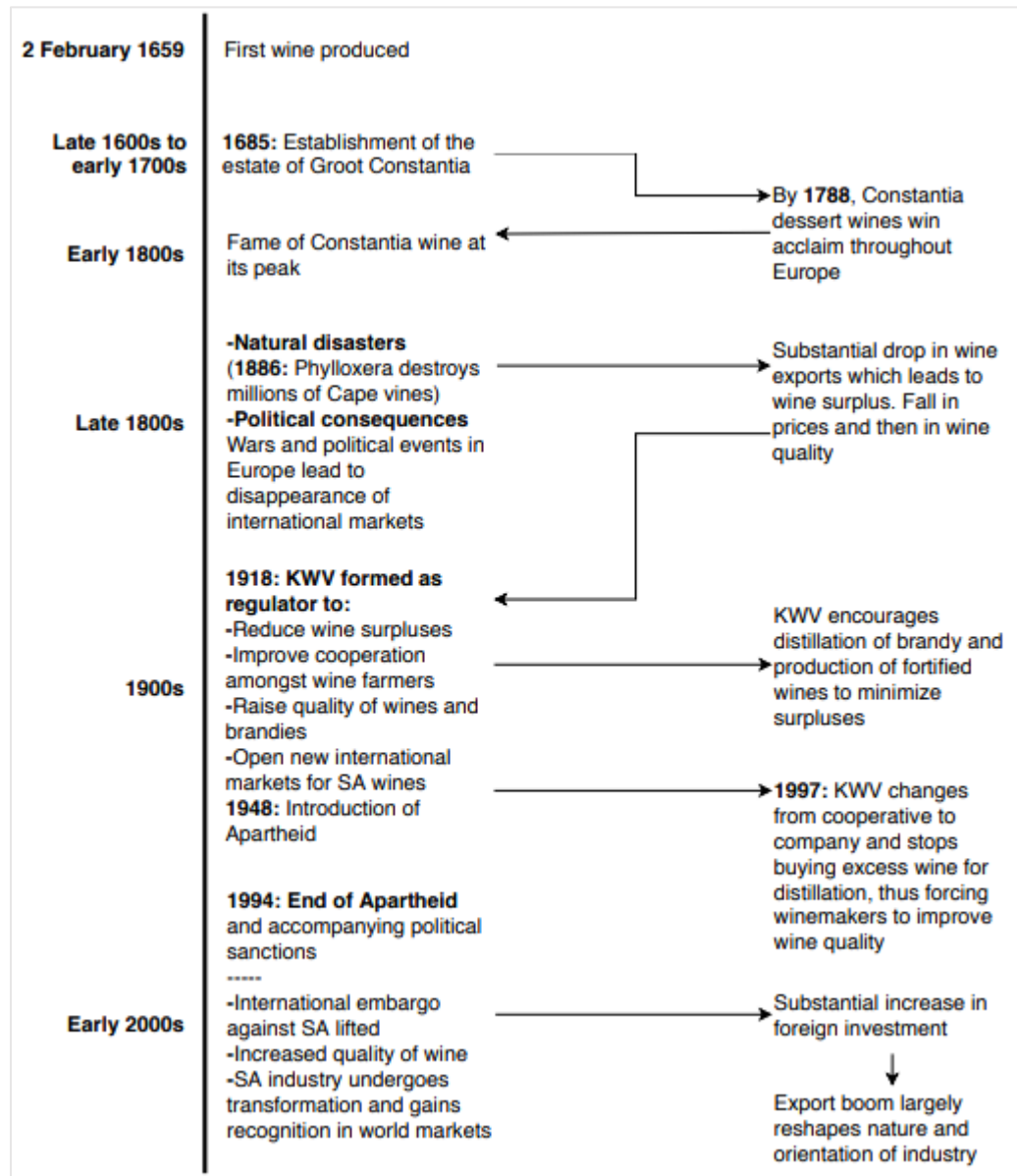
#### 2.1.1 The history of wine production in South Africa

Fig. 2.1 was constructed to supply an overview of key historical events and their consequential impacts on the SA wine industry. The establishment of the estate of Groot Constantia, as seen in Fig. 2.1, is an event that stood out after the first South African wine was produced in 1659. It could be suggested that the estate's establishment is of importance due to the fact that Constantia dessert wines had won acclaim throughout Europe by 1988, creating awareness of South African wines (Estreicher, 2014).

The occurrence of natural disasters and political consequences had significant repercussions on South African wine production and exports in the late 1800s (Keywood & van der Merwe, 2015). Political consequences were brought about by the conclusion of a free trade agreement, namely the Cobden-Chevalier Treaty, between France and Britain in 1860. The agreement led to a collapse in the enormous market for wine in Britain and a subsequent loss of the British market to French wines. Britain had previously purchased three-quarters of all the Cape's wine exports, which resulted in a substantial surplus of wine in SA (James, 2013; Meissenheimer et al., 2004).

In 1918, the Koöperatiewe Wynbouers Vereniging van Suid-Afrika (KWV) was founded to regulate and organize the South African wine industry. Key tasks of the KWV are highlighted in Fig. 2.1, including the minimization of wine surpluses. Although the KWV helped reorganize the industry, the introduction of Apartheid in 1948 significantly hindered the growth of the wine

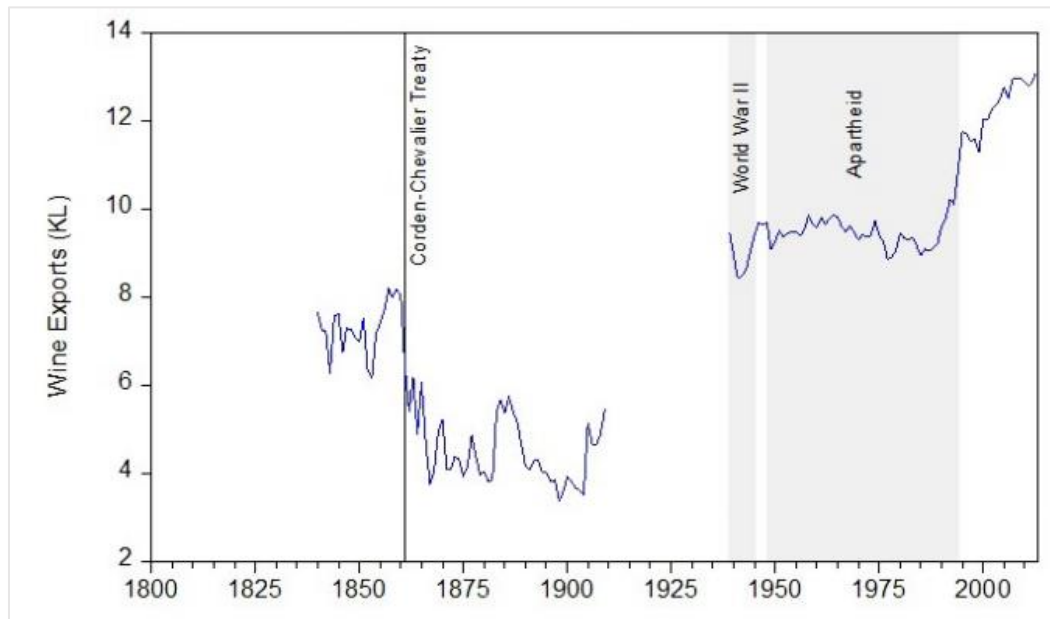
industry due to its accompanying sanctions (Estreicher, 2014; Keywood & van der Merwe, 2015). The wine industry's consequent isolation from international markets, together with an almost singular focus on minimizing surpluses, led to an industry that was largely production-orientated (Meissenheimer et al., 2004).



**Figure 2.1** Key historical events and their impacts on the South African wine industry, 1659 to early 2000s (Adapted from Estreicher, 2014 and Hira, 2013)

The end of Apartheid and its accompanying sanctions represented a period of major change and transformation for the South African wine industry. As detailed in Fig. 2.1, the quality of wine increased, which could in part be attributed to changes made to the KVV in 1997. During

the 19<sup>th</sup> century, the wine industry regained international market recognition and underwent a growth spurt following an export boom (Hira, 2013). Fig. 2.2 illustrates both the negative and positive effects of the Corden-Chevalier Treaty and the end of Apartheid on South African wine exports, respectively.



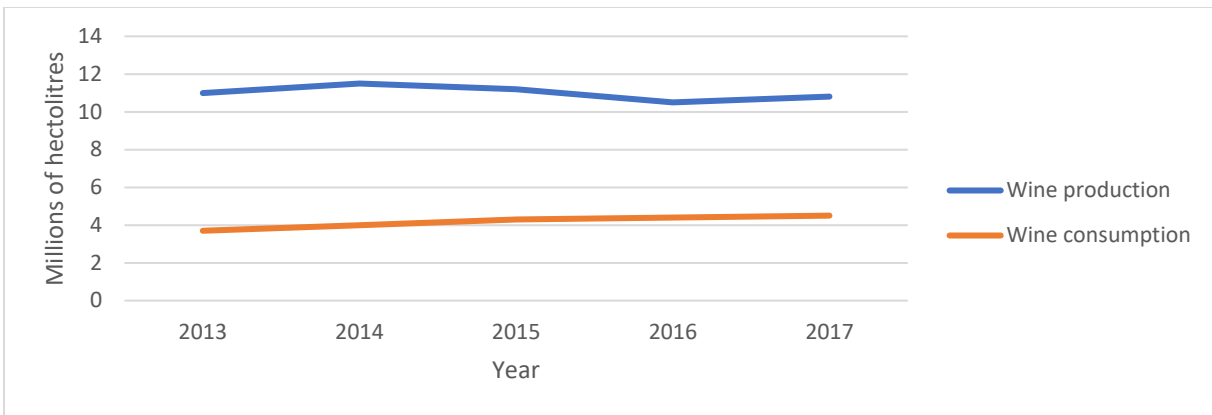
**Figure 2.2** South African wine exports (Keywood & van der Merwe, 2015, p. 14)

The numerous challenges faced by the wine industry, as shown in Fig. 2.1, make it clearer as to why the South African wine industry is largely production-orientated and lacks an understanding of the local wine market.

### 2.1.2 South Africa's position amongst the global wine sector

Global wine production in 2017 had fallen by 23.6 mHL in comparison to 2016. However, in the same time period, SA experienced an increase of 0.3 mHL, producing a total of 10.8 mHL of wine in 2017 (Fig. 2.3).

Worldwide, SA was the eighth largest producer, and 13<sup>th</sup> largest consumer, of wine in 2017. SA had been experiencing a steady increase in wine consumption since 2013 (Fig. 2.3).



**Figure 2.3** Wine production and consumption in South Africa, 2013-2017 (Adapted from OIV, 2018)

### 2.1.3 South African wine production and consumption

The word “wine” within itself cannot explain what wine constitutes of in a South African context. According to the South African Wine Industry Information and Systems (SAWIS), South African wine consists of four distinct categories:

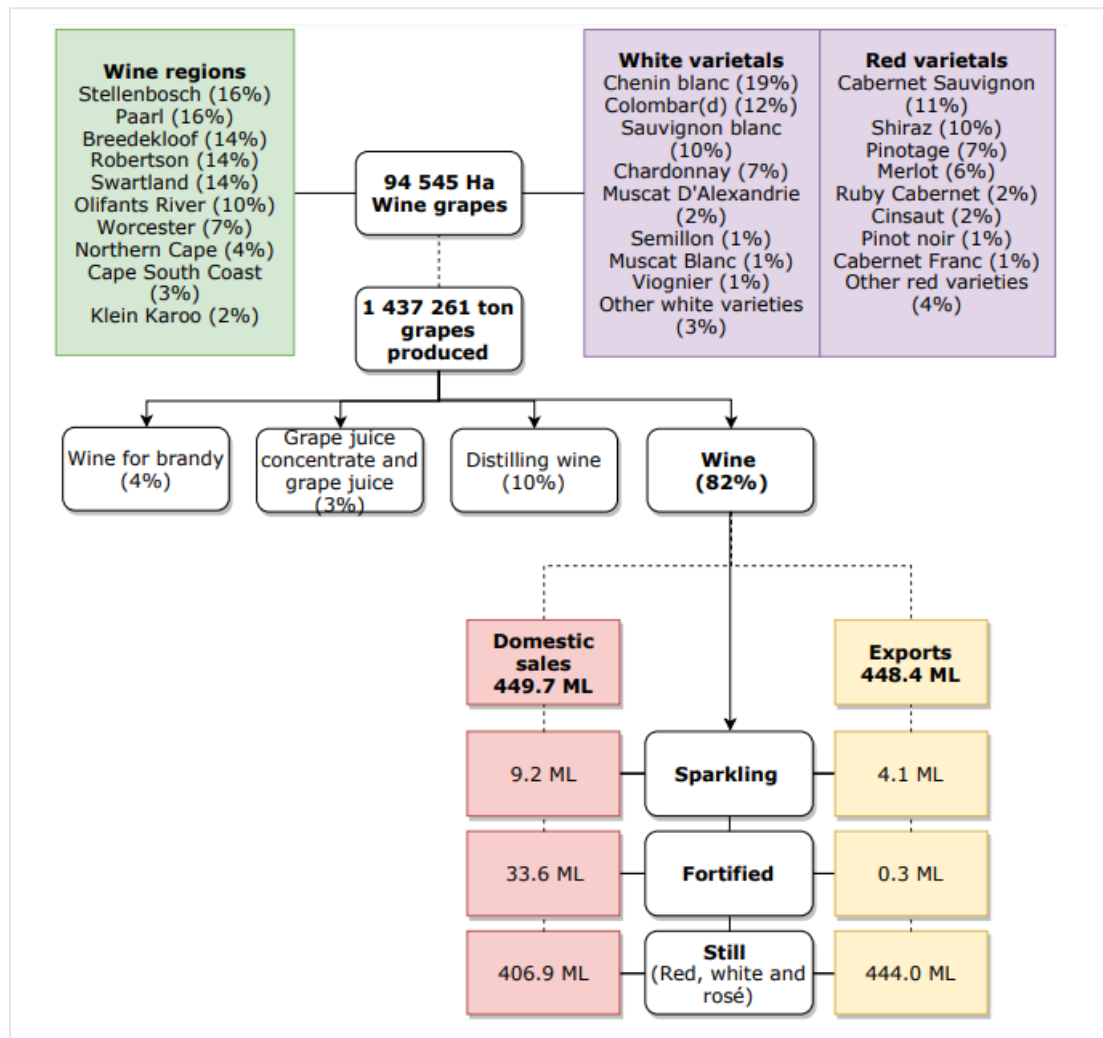
- Wine (still, fortified and sparkling)
- Wine for brandy production
- Distilling wine (wine specially prepared for distillation to spirits, for fortification of wine, or for industrial purposes)
- Grape juice and grape juice concentrate (for use in wine and non-alcoholic products)

This study focused on the first category, namely ‘wine’. Therefore, the following sections elaborate on wine produced in 2017, referring to the main varietals and regions used for wine production, and its utilization in terms of exports and domestic sales.

#### From vine to wine and its utilization

Of the wine grapes used to produce all four wine categories (according to SAWIS) in 2017, most were planted in Stellenbosch (16%) and Paarl (16%) (Fig. 2.4). The most planted white and red grape varietal were Chenin blanc (19%) and Cabernet Sauvignon (11%), respectively (Fig. 2.4). Other grape varietals constituted of red varietals such as Cinsaut and Pinot Noir, and white varieties such as Grenache blanc, however each respectively constituted for no more than 2.5% of total area. In SA, as in most New World wine countries, the naming of wines based on varietal (regardless of quality level) is dominant (James, 2013b). Therefore, the grape varietal used during

wine production is important, as it is likely to appear on the wine bottle's label and thus made visible to consumers.



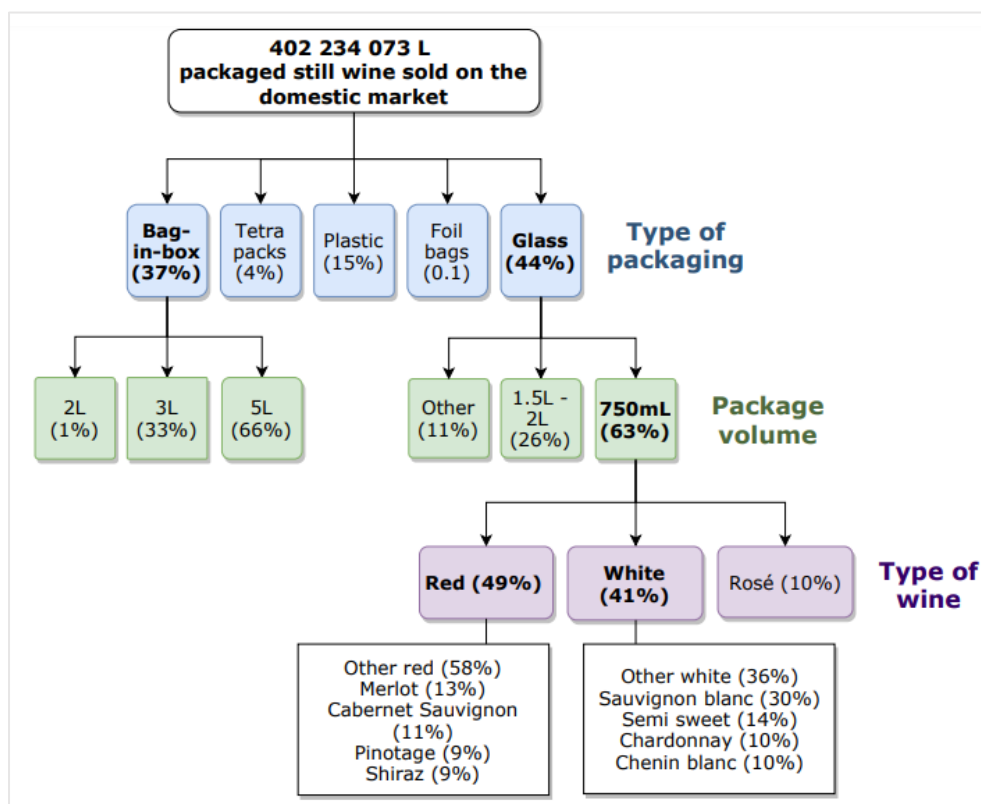
**Figure 2.4** Wine produced from grapes and its utilization in 2017. Colored boxes refer to the distribution of wine grapes in hectare (Ha) according to region (green) and varietal (purple), and the amount of wine and sub-categories of wine (sparkling, still and fortified) sold domestically (pink) and exported (yellow) in million liters (ML) (Adapted from Sawis, 2018)

Of all wine grapes grown, 82% were used for wine production in 2017 (Fig. 2.4). Referring to the sub-categories of wine, still wine by far made the biggest contribution towards domestic sales as well as exports at 407 and 444 million liters (ML), respectively (Fig. 2.4). Thus, still wines form the biggest market for the SA wine industry and therefore a deliberate decision was made to focus on still wines, namely red, rosé and white, for this study.

## Domestic sales of still wine per packaging type

A total of 402 ML of wine were sold domestically in 2017 (Fig. 2.5), of which most were packaged by bag-in-box (37%) and glass (44%). Bag-in-box packaging refers to box wine, which is an alternative to the traditional packaging of wine in glass bottles. Looking at wines packaged in glass, 63% of it was packaged in 750 mL bottles, whereof 49% consisted of red wines, while 41% consisted of white, and rosé wines only accounted for 10% of the total sales (Fig. 2.5).

The most commonly sold red and white wine varieties were Merlot, which accounted for 16% of the red wine sales, and Sauvignon blanc, which accounted for 30% of the white wine sales. Semi-sweet wines accounted for 14% of the total white wine sales (Fig. 2.5). The sales suggest South African consumers' preference for red and white wines, packaged in either glass or bag-in-box.



**Figure 2.5** Distribution of packaged still wine sold on the domestic market in 2017, by type of packaging (blue), package volume (green) and type of wine (purple) (Adapted from Sawis, 2018)

In 2017, the distribution of production between red and white wine was 35% red, and 65% white (Sawis, 2018), in contrast to the wine types sold in 750 milliliter (mL) bottles, where red wine was the most sold counterpart. However, the total still wine exports, skewed towards white wine, with a distribution of 52% white, 40% red and 9% rosé wine, was exported in 2017 (Sawis, 2018).

Therefore, a trend of red wine consumption in the local market is suggested. Yet, the statistics only account for wine sales in 750 mL glass containers, therefore, bag-in-box sales could account for more white wine sold domestically.

In relation to still wine packaged in glass, that packaged as bag-in-box has increased in popularity, showing significant growth between 2014 and 2015 in terms of domestic sales (Fig. 2.6). The growth was likely due to the increase of medium-priced, sweet rosé and red wines driven by the wine brand 4<sup>th</sup> Street, which was said to be the biggest success story of 2015 (Holtzkampf, 2015). 4<sup>th</sup> Street was launched by Distell, Africa's largest producer and seller of alcoholic beverages, in 2009. Distell ranked 12<sup>th</sup> amongst the top wine producing companies worldwide in 2015 (Wesgro, 2017). According to DRINKStuff SA (2017), 4<sup>th</sup> Street wines were targeted at Generation Y consumers as affordable, natural sweet wines, available as bag-in-box and glass bottles. The wine brand was rated as the top growing brand internationally, in 2016, by the International Wine and Spirit Research (IWSR). The fact that 4<sup>th</sup> Street sells most of its volumes in SA ("4th Street - World's fastest growing wine brand," 2017) suggests that there is a market available for affordable and sweet wines in SA.



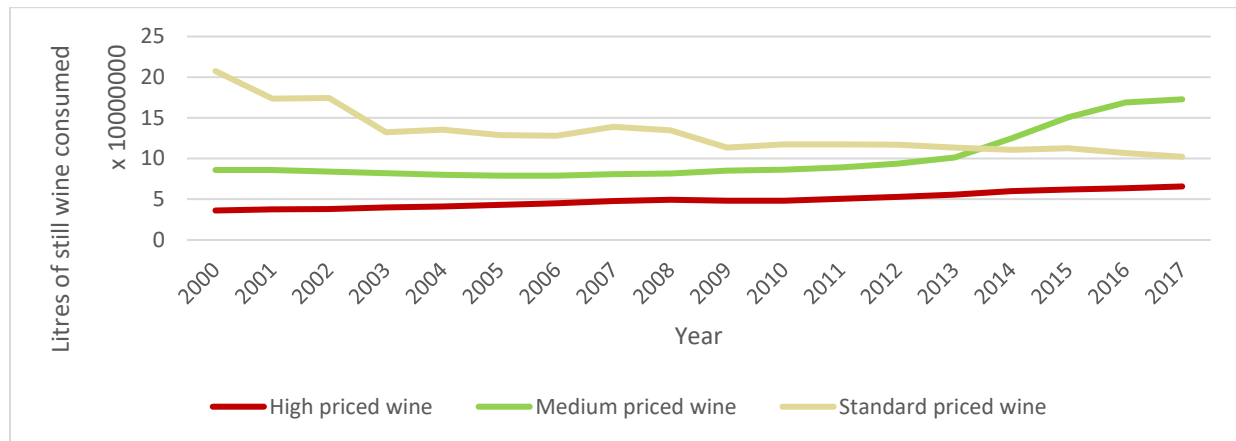
**Figure 2.6** Domestic wine sales (packaged in glass and bag-in-box) as percentage of total still wine sales (Adapted from Sawis, 2018)

Percentage of wine in plastic, foil bags, and tetra packs not shown, therefore, percentages do not amount to 100

### Domestic consumption of wine per price category

As categorized by Sawis (2018), high-priced wines are those priced at more than R35.00 per 750 mL, medium-priced are between R22.00 and R35.00 per 750 mL, and standard-priced are 5 liter (L) boxes selling for less than R125. Fig. 2.7 shows a steady growth in the consumption of high-priced wines leading up to 2017. The increased consumption of the price category suggests promise for further growth in terms of value for the domestic wine market (Fig. 2.7). In 2014, a cross-over between standard-priced and medium-priced wines occurred, with medium-priced wines becoming the most consumed category amongst the three. The cross-over was likely

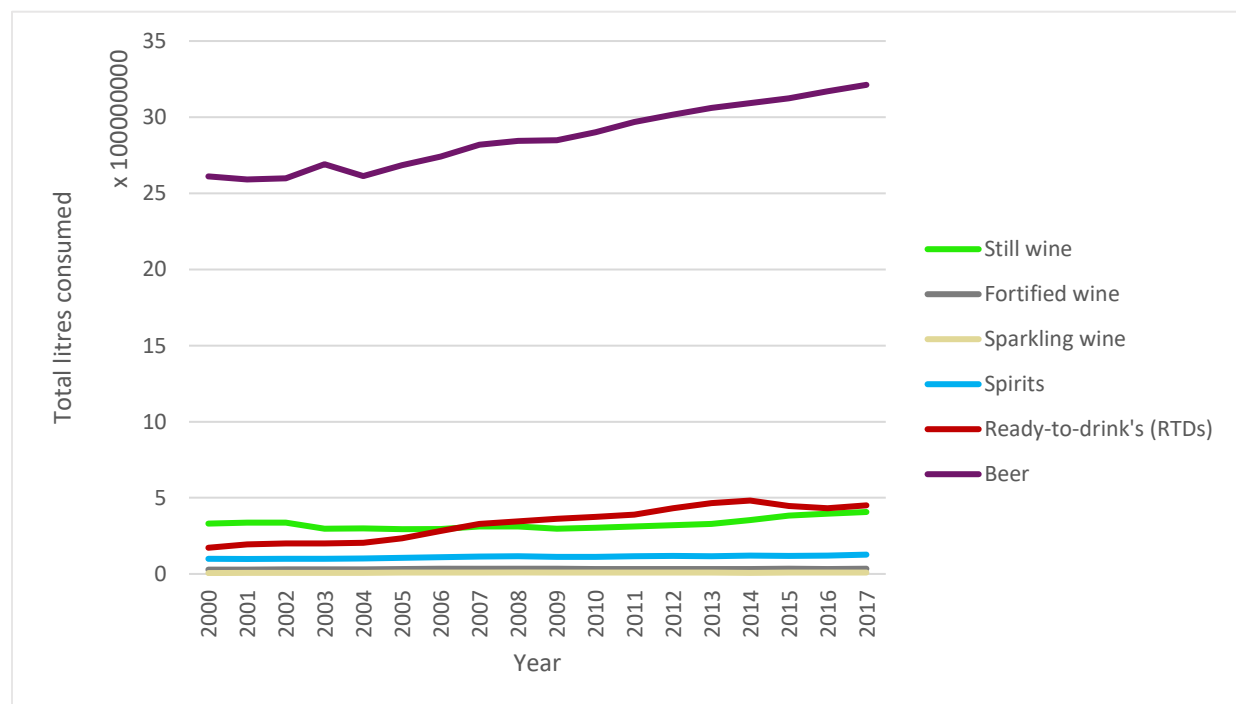
due to the increased popularity of medium-priced, sweet red and rosé wines (4<sup>th</sup> Street). 4<sup>th</sup> Street accounted for 66% of the medium-price wine sector in 2015 (Holtzkampf, 2015).



**Figure 2.7** Still wine (liters) consumed per price class, 2000-2017 (Adapted from Sawis, 2018)

### The overall consumption of alcoholic beverages in South Africa

When the overall consumption of alcoholic beverages in SA is considered, as shown in Fig. 2.8, beer has continuously dominated in terms of market volume in 2017. RTD beverages continued to grow in popularity at a faster rate than wine, overtaking wine consumption in 2007. Therefore, the need for wine to take a larger market share is emphasized.



**Figure 2.8** Overall consumption of alcoholic beverages in SA, 2000 to 2017 (Adapted from Sawis, 2018)

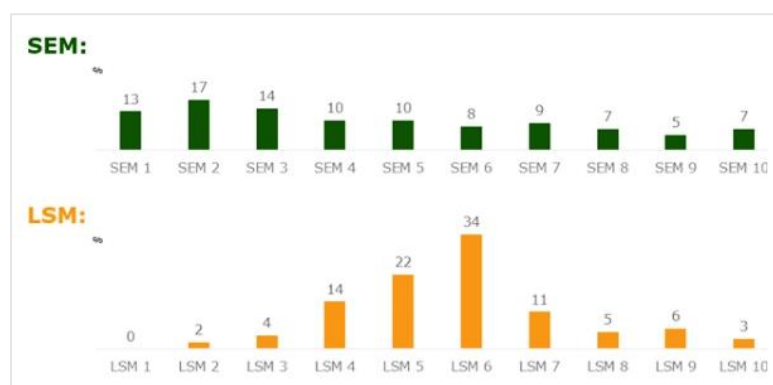


## 2.2 The South African consumer

A useful way in which the South African government categorizes the population is by population group. Out of a total population of 57.7 million people (in 2018), approximately 81% were black African, 9% colored, 8% white, and 2% Indian/Asian. The largest share of the total population resided in Gauteng (26%), followed by KwaZulu-Natal (20%), Western Cape (12%), and Eastern Cape (11%). The two largest groups, according to age, were between 20 to 39 years (35%), and younger than 20 years (38%), accounting for more than 70% of the total population (Stats SA, 2018).

Although the population classifications are helpful, the sole use of demographics in describing segments to be targeted by marketers, are found to lack depth (Ahmad, 2003). To assist marketers to better define their target audiences, the South African Audience Research Foundation (SAARF) developed a unique tool called the Living Standards Measure (LSM) ([www.saarf.co.za](http://www.saarf.co.za)). The tool segmented people according to their degree of urbanization, possession of cars or major appliances. In the past, LSM was a popular tool used as a marketing model across SA (MobiMedia, 2018). However, following concerns over the tool's accuracy, a new tool will likely have replaced it by 2020. The replacement tool, namely the Socio-Economic Measure (SEMs), is said to better reflect the South African society in terms of how a person lives, instead of segmenting based on a person's possessions (Bizcommunity, 2017).

For instance, the LSM tool showed that only 6% of the population's households were in the bottom LSM 1-3 group, whereas the SEM tool shows a percentage of struggling households as high as 44% (Fig. 2.9). On the other hand, the LSM 8-10 group, on which more than 70% of advertising is dedicated, was also increased by the SEM to 19%, versus 14% of households for the LSM (Fig. 2.9). Consequently the middle-class groups were significantly decreased for the SEMs versus the LSMs (Bizcommunity, 2017; MobiMedia, 2018).



**Figure 2.9** SEM versus LSM (Bizcommunity, 2017)

Understanding the South African consumer is evidently an ongoing process that requires marketers to adapt accordingly. It is thus especially important to continually research who is being dealt with when promoting a specific product, particularly when working with a product as complex as wine.

### **2.2.1 The wine consumer landscape in South Africa**

To assist in setting up an interview protocol to be used for the qualitative phase of this study, a review on previous South African wine consumer publications was deemed necessary. Although there is limited research available on segmenting the South African wine consumer, a few publications exist and are discussed below.

In part, due to the high proportion of black Africans making up the SA population, Ndanga, Louw and van Rooyen (2010) explored the market potential of the affluent black middle class to increase domestic wine consumption. Table 2.1 summarizes the key characteristics, and socio-demographics, of the segments identified in the study.

A newly found segmentation of SA wine consumers was launched by the wine industry in 2014, forming part of the Wine Industry Strategic Exercise (WISE): Brand SA local marketing strategy. In collaboration with The MOSS Group and Consumer Insights Agency, the initiative aimed to better understand and revitalize the domestic South African local market, and make wine the alcoholic beverage of choice by 2025 (Loots, 2016). Through ethnographic segmentation, which entails the study of people in their own culturally-constructed worlds, 11 consumer segments were identified, of which four were prioritized as future target wine consumers, namely the Bouj-Wa, Loxion Dreamer, Striving Suburban, and Go Geta (Table 2.1).

Bruwer, Roediger and Herbst (2017) identified four wine clusters within SA (Table 2.1). The study sample included retail customers falling within the LSM 8-10 segment. The four clusters ultimately identified were in conjunction with the prevalent wine segments that had continually been occurring within literature across different countries, apart from 'the fashion and image-oriented wine drinkers':

- Conservative, knowledgeable wine drinker
- Experimenter, highly knowledgeable wine drinker
- Basic wine drinker
- Enjoyment oriented, social wine drinker
- Fashion and image-oriented wine drinkers

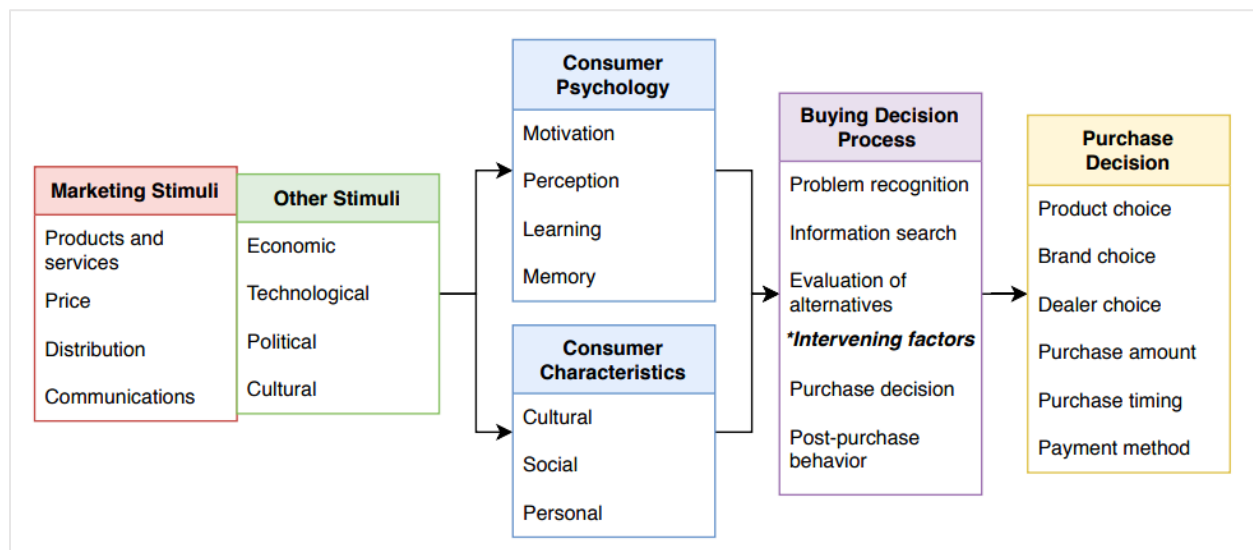
**Table 2.1** South African wine segments and their relevant wine characteristics and socio-demographics

<b>Wine segment</b>	<b>Consumer wine characteristics</b>	<b>Socio-demographics</b>	<b>Source</b>
<b>The Establisheds (Connoisseurs)</b>	Purposeful inconspicuous premium wine drinkers; ritual-oriented conspicuous wine enthusiasts	High income broadsheet readers	Ndanga et al., 2010
<b>Young Families (Mainstream At-homers)</b>	Habitual wine buyers	Suburban middle-income professionals	
<b>Start-Me-Ups (Fashion/image oriented)</b>	Aspirational image seekers; sociable promotion seekers	Young singletons	
<b>Mzansi Youth (Enjoyment oriented social drinkers)</b>	Weekly treaters; risk averse rational buyers	Lower income TV viewers	
<b>Loxion Dreamer</b>	Catch them at trendy township bars with simple, clear messages	Youthful urban-living dreamers, averse to hard work	Loots, 2016
<b>Bouj-Wa</b>	Catch them online and at wine clubs and by-invitation-only tastings	Financially free, ambitious young adults	
<b>Striving Suburban</b>	Catch them with private tastings and expert recommendations	Middle class family-oriented renovators	
<b>Go Geta</b>	Catch them online and with innovation, inspirational wine stories and new trends	Lower to middle class adolescents with confidence to succeed materially	
<b>Conservative, knowledgeable wine drinker</b>	Connoisseur-related tendencies; occasional wine drinker	Middle-income, middle-aged mothers	Bruwer et al., 2015
<b>Experimenter, highly knowledgeable wine drinker</b>	Connoisseur-related tendencies; adventurous and regular wine drinker for all occasions	High income mature bachelors	
<b>Basic wine drinker</b>	Risk-averse wine drinker, mostly for celebrations. Shows little interest in wine	Lower income middle-aged female professionals	
<b>Enjoyment oriented, social wine drinker</b>	Risk averse habitual wine buyer for all occasions	Mature urban homeowners	

Although the above segments were identified prior to the beginning of this study, it remained difficult to fully understand who the consumers were, predominantly due to a limited amount of research done on each segment. Therefore, this study transformed based on the results found in the exploratory phase, which will be discussed in Chapter 3. It remained clear that a general understanding of the consumer, and how they make decisions was vital in order to gain deeper insight into their wine behavior. Thus, it was necessary to understand what is meant by “consumer behavior” and how to study it in relation to wine.

## 2.3 A framework for understanding wine consumer behavior

Consumer behavior is “the study of how individuals, groups and organisations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants” (Kotler & Keller, 2016, p. 179). For the wine industry, it has become increasingly important to know what consumer preferences are in terms of a wine’s product features, and moving from a production to a consumer-focused orientation (Swiegers, Francis, Herderich & Pretorius, 2006). In-depth studies of consumer behavior and preferences are thus vital for the development of market-related strategies (Lockshin & Corsi, 2012). The route to understanding a consumer’s behavior is widely considered a complex topic, especially for wine (Agnoli, Capitello & Begalli, 2013). Therefore, a comprehensive framework to understanding consumer behavior, and factors that influence it, will be discussed and related to wine specifically. The starting point to understand consumer behavior is depicted in the form of a stimulus-response model (Fig. 2.10).



**Figure 2.10** A model of consumer behavior (Kotler & Keller, 2016, p. 187)

### 2.3.1 The marketing stimuli (The wine product offering)

Within a market offering, the product plays a key role (Kotler & Keller, 2012). Considering the complexity of wine, which has frequently been emphasized within wine research articles (e.g. Anchor & Lacinová, 2015; Bruwer et al., 2017; Atkin & Thach, 2012), the following section will focus on the different product features offered by wine and their influence on consumer behavior.

Wine consists of numerous attributes (Carew, Florkowski & Meng, 2017), otherwise categorized as intrinsic and extrinsic cues, both of which consumers use while assessing a wine. Extrinsic cues are the features that can be adapted without changing the wine itself, for example packaging, brand and price. On the other hand, intrinsic cues relate to the wine itself, including features such as color, aroma, flavor and taste (Atkin & Thach, 2012; Mehta & Bhanja, 2018). Intrinsic cues, such as taste and aroma, can usually only be evaluated after the wine has been purchased (Atkin & Thach, 2012), therefore the quality of the wine is often judged based on its relevant extrinsic cues. Trust has been seen to be based on extrinsic attributes, while satisfaction is determined by the wine's intrinsic attributes (Espejel, Fandos & Flavián, 2011). Reviews of the literature over the two decades leading up to 2018 found that the most cited attributes influencing wine purchase behavior and preferences included brand, packaging, price, origin, type of wine, labelling, and taste (Lockshin & Corsi, 2012; Lockshin & Hall, 2003; Mehta & Bhanja, 2018). Some key findings in literature relevant to each attribute are discussed:

#### Price

Price was found to be amongst the most important cues consumers use when assessing a potential wine for purchase (Thomas & Pickering, 2003). For example, a high price has been found to have a positive effect on hedonic liking (Mueller, Osidacz, Francis & Lockshin, 2010), and a low price on choice (Silva, Figueiredo, Hogg & Sottomayor, 2014). In studying Japanese wine consumers, price was the most important extrinsic feature of wine to influence a purchase decision (Bruwer & Buller, 2012). In a study on the wine selection behavior of South African Gen Y consumers, price was not included as an attribute under study (Lategan, Pentz and du Preez, 2017). Therefore, a gap exists for price to be included so that its relative importance in a South African context can be determined. Furthermore, the importance of price has been found to be influenced by a range of other factors, such as the consumer's level of involvement (Lockshin, Jarvis, D'Hauteville & Perrouy, 2006), age (Anchor & Lacinová, 2015) and the relevant consumption situation (Orth, 2005). Thereby, investigating consumers' specific willingness to spend (high/low price) on wine becomes vital in gaining a more holistic view of the importance of price.

## **Labelling**

Consumers have been found to review wine labels as a risk-reduction strategy when purchasing wines (Atkin & Thach, 2012). When under direct questioning, consumers are unlikely to report the importance of labels, with a consumers' response to labels found to be primarily subconscious (Lockshin & Corsi, 2012; Mueller, Lockshin & Louviere, 2010). Anchor and Lacinová (2015) found that as consumers age, the importance of labels increased. It was suggested that older consumers are likely to be more educated about wine and therefore better able to evaluate certain attributes. Barber, Ismail and Dodd (2007) also found consumer wine preferences to be influenced by label image and color, which highlights the importance of labels.

## **Packaging**

Packaging has an influence on consumers (Higgins & Llanos, 2015). As with labelling, the importance of packaging is primarily subconscious and thus more evident when measured with indirect methods such as conjoint analysis, or discrete choice experiments (Lockshin & Corsi, 2012). Nevertheless, a study on Gen Y consumers in the United States (US) found packaging attributes, such as image, design, and bottle, to be more important than features such as the vintage year, and country of origin (Elliot & Barth, 2012). Another study on Gen Y consumers in Portugal found that bottled wines were seen to be of a higher quality than wine in cartons (Silva et al., 2014).

## **Brand**

Mehta and Bhanja (2018) found Indian wine consumers to be largely reliant on brands they knew, although it came up in interviews that they only knew a few brands. A willingness to try unknown brands needs to be encouraged by friends or retailers recommending the brand. Gen Y consumers in Portugal have also been found to be faithful to known brands, and those recommended by others (Silva et al., 2014). In November 2018, Wine-Searcher ([www.wine-searcher.com](http://www.wine-searcher.com)) listed 997 South African producers. With the high number of wine brands made available to consumers, it is likely that South African consumers would go to brands that they are familiar with.

## Origin

Perrouy, D’Hauteville and Lockshin (2006) found that once consumers encounter an unknown wine brand, they will alternatively look for cues, such as the country of origin, to assess the wine’s quality. The significance of the region of origin was overshadowed by other factors such as price, brand, grape variety, and bottle type (Perrouy et al., 2006). In SA, the Wine of Origin (WO) scheme ensures that all certified wines are indicative of their relevant origin, vintage, and varietal composition. A consumer’s confidence in the quality of a wine is increased when information relating to the wine’s country of origin is given (Lockshin & Corsi, 2012), therefore, it may be beneficial for more wine producers to conform to the WO scheme. Of all wines produced in SA in 2017, 61% were certified to show conformance with the scheme (Sawis, 2018).

## Taste

Higgins and Llanos (2015) noted that the most cited attribute to influence a wine purchase decision is taste. Within focus group interviews on the purchasing of private label brands, Sarkar, Sharma and Kalro (2016) found that taste plays a crucial role in a brand being repurchased. A review of wine behavioral research (Lockshin & Corsi, 2012) indicated that numerous studies had found a preference of consumers for previously tasted and enjoyed wines. However, limiting to wine is the fact that the taste of a wine is only known once the wine has been purchased and consumed. A study by Lockshin and Knott (2009) highlighted the importance of the taste being known prior to purchase. While investigating the effect of wine tastings on sales, a sales’ increase of 400% was noted (Lockshin & Knott, 2009). An Australian study by Mueller, Lockshin, Saltman and Blanford (2010) examined the influence of back label information on wine choice. The study found elaborate taste descriptors to have a positive influence on wine choice. Therefore, the importance of in-store tastings, and the addition of taste cues, are highlighted in overcoming the limitation of wine.

## Wine style

The style of a wine is amongst the range of factors found by Hristov and Kuhar (2015) to be important determinants for wine selection. The wine type (red, white, or sparkling) was also found to be an important cue for Gen Y, Indian consumers (Mehta & Bhanja, 2018), with red wine enjoyed the most. The level of sweetness, versus dryness, and the body style of wine, are key factors that play a role in a wine’s taste (Bruwer, Saliba & Miller, 2011). Considering the importance of taste towards enjoyment, the wine style clearly becomes a key determinant in whether a wine will be repurchased.



### **2.3.2 Additional factors that have an influence on consumer behavior**

It is a widely accepted phenomenon, that for a company to improve business performance and remain competitive, a customer-centric focus is vital (Nazan Gunay & Baker, 2011). It follows that companies must understand their customer needs, which necessitates an analysis of all the relevant factors, and dynamics, impacting the preferences and buying behaviors of consumers. One of the ways in which this understanding can be improved is by identifying the target market's main characteristics (Nazan Gunay & Baker, 2011).

#### **Consumer characteristics**

A consumer's buying behavior is influenced by social, personal, and mostly influenced by cultural factors, with culture being the key determinant to a person's behavior and wants (Kotler & Keller, 2016).

##### **a) Cultural factors**

Cultures can be subdivided into nationalities, ethnicities and geographic regions. For example, a child growing up in one country may have different values to a person growing up in another, shaped by the values they have been exposed to (Kotler & Keller, 2016). In terms of wine consumption behavior, Mueller, Remaud and Chabin (2011) compared seven trans-cultural markets according to generational groups. Markets from five countries were selected, namely France, the United Kingdom, Germany, Canada, and the United States. The study therefore included traditional and new wine markets. Differences between countries were found, for example, wine consumption and involvement decreased with age in a New World wine country (North America), while consumption and involvement increased with age in the Old-World wine country (traditional European wine markets). An extensive review of wine literature identified that many Old World, and New World countries, have been compared, with major differences identified between the two groups (Lockshin & Corsi, 2012). These differences seem plausible, as Old-World countries have long since had a wine-drinking culture, whereas New World countries, such as New Zealand, Australia, and SA, have only recently seen a growth in wine consumption (Fountain & Lamb, 2011).

##### **b) Social factors**

At brand level, social benefit was one of the four distinct value dimensions identified by Sweeney and Soutar (2001) to drive purchase behavior and attitudes. Social value was defined as the value gained from the product's capability to boost social self-concept. Examples of social



factors said to affect buying behavior include reference groups, cliques, and family (Kotler & Keller, 2016). Reference groups are all those individuals that have an indirect or direct influence on a person's behavior or attitudes. These groups include individuals with whom the person is fairly continuously, to less continuously, interacting with, as well as groups to whom individuals do not belong (Kotler & Keller, 2016). Previous studies have found that consumers are positively influenced to purchase a wine by recommendations from friends or family, for example, consumers with low subjective knowledge (Barber, Dodd & Ghiselli, 2008), Gen Y consumers (Atkin & Thach, 2012; Silva et al., 2014), and more specifically, Gen Y females (Bruwer et al., 2011). Anchor and Lacinová (2015) attributed Gen Y's preference for third party advice to a greater uncertainty when purchasing wine due to a suggested inexperience with wine. Wine marketers are encouraged to pay more attention to ways in which they can increase recommendations made by families and friends of young wine consumers.

### **c) Personal factors**

Personal characteristics that play a role in a person's buying behavior include socioeconomic status, lifestyle and values, age and stage in the life cycle, personality, and self-concept (Kotler & Keller, 2016). It is generally accepted that as a person ages, their product preferences and needs will change. Within wine marketing literature, age has often been used as a form of segmenting consumers, with age being further broken down to generational segmentation (Wolf, Higgins, Wolf & Qenani-Petrela, 2018). The generational groups, as defined by Pew Research Center (2018), are as follows: the Silent and Greatest generation (born 1945 and earlier), BabyBoom generation (born between 1946 and 1964), Gen X (born between 1965 and 1980), Gen Y (born between 1981 and 1996) and the Post-Gen Y (born 1997 and later). With the global surplus of wine, marketers have shifted their research into generational differences, explicitly focusing on the behavior of the young, supposedly new wine drinker. As concisely summarized by Bevan-Dye (2016):

A generational cohort refers to the aggregate progeny of the preceding generation and parents of the next generation, born within a specified range of years, who go through the different stages of life together and whose values, attitudes and preferences are influenced by shared defining events, and trends during their formative years that give rise to a generational consciousness, and a process of social change (Bevan-Dye, 2016, p. 5-6).

According to Chrysochou, Krystallis, Mocanu and Lewis (2012), the Baby Boom generation was the leading wine consumer in the USA in 2012. Gen Y has been identified as the current generation with the most potential to fuel future growth in wine consumption (Chrysochou et al., 2012). Although the potential of Gen Y first received attention in the US (Barber, Almanza & Donovan, 2006; Thach & Olsen, 2006; Wolf, Carpenter & Qenani-Petrela, 2005), their potential has since been identified within other New World countries, including India (Mehta & Bhanja, 2018), New Zealand (Fountain & Lamb, 2011) and SA (Lategan et al., 2017). Yet, published studies on Gen Y's wine behavior within a South African context remain scarce.

### **Consumer psychology**

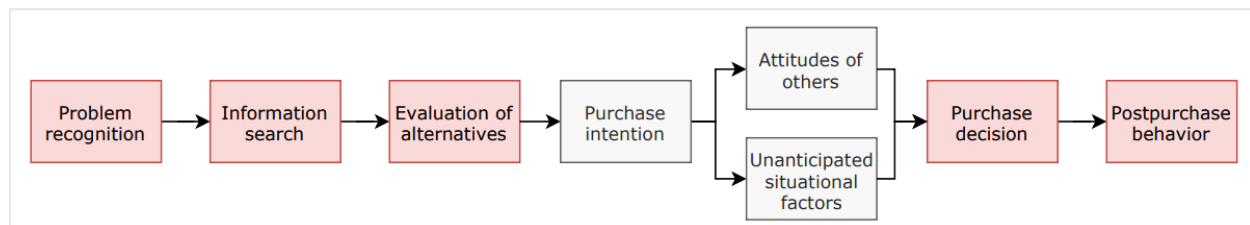
A consumer's response to a product is fundamentally influenced by four key psychological processes, namely learning, perception, motivation, and memory. At any given time, a person has certain needs that, when reaching a certain level of intensity, turn into a motive and subsequent action. However, *how* a person will act is influenced by their specific perceptions of the product. (Kotler & Keller, 2016). Atkin and Thach (2012) asserted that from the consumer's viewpoint, wine is regarded as a complicated beverage in that it involves both risks, such as possibly selecting the wrong wine, and social benefits, such as choosing a wine admired by others. Charters (2006, p. 177) regarded wine as a 'civilized drink' for the following reasons: "That wine has an aura of sophistication, that it is a drink of restraint, that it stimulates the pursuit of knowledge, that it is a 'natural' drink, and that it may be considered an art form". For example, an increase in wine consumption in markets, such as the USA and Australia, was attributed by Bruwer et al. (2011) to females adopting wine as a lifestyle beverage. Amongst a range of factors, wine's image as a sophisticated drink contributed to female's adoption of wine.

Through a person's actions or experiences, a change in behavior is induced through the process of learning (Kotler & Keller, 2016). It has also been recognized that a consumer's decision making is significantly influenced by the knowledge stored in their memories (Brucks, 1985). According to Brucks (1985), general product knowledge has two sides, namely an objective one, referring to the actual knowledge of consumers, and a subjective one, referring to that which consumers think they know. Therefore, we can deduce that the way in which marketers approach consumers will differ depending on the relevant consumer's level of subjective and/or objective knowledge. For example, a study by Hristov and Kuhar (2015) on the wine behavior of young Macedonian adults differed based on level of subjective knowledge (SK). Consumers with a low SK responded better to personal recommendations, whereas those with a high SK responded

better to information such as grape variety, wine style and vintage as presented on the label (Hristov & Kuhar, 2015).

### 2.3.3 The process of the buying decision

The process of the buying decision can usually be broken into five stages: problem recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior, as seen in Fig. 2.11 (Kotler & Keller, 2016). However, the intent to purchase a product can be interrupted by the attitudes of others and unanticipated situational factors (Fig. 2.11).



**Figure 2.11** The consumer buying process (red boxes) and the steps between evaluation of alternatives, and the purchase decision (grey boxes) (Adapted from Kotler & Keller, 2016)

Referring to ‘information search’ in Fig. 2.11, the major sources of information identified by Kotler and Keller (2016) to be searched for by consumers are categorized as follows, personal (e.g. friends and family), commercial (e.g. salespersons and displays), public (e.g. social media), and experiential (e.g. use of the product). As reported under consumer psychology, the type of information sought out by consumers has been found to differ according to the consumer’s level of subjective knowledge (Hristov & Kuhar, 2015). Looking specifically at the public sources used by different generations in searching for information about wine, Wolf et al. (2018) found that Gen Y mostly use Instagram and YouTube, whilst Gen X are more likely than both Gen Y and Baby Boomers to use iPad applications and blogs. Atkin, Nowak and Garcia (2007) also found that there were key differences in information sought out by consumers based on gender. Men were found to look for information away from the place of purchase, such as by reading books on wine, whereas women were more likely to seek out “on the spot information” such as asking the opinion of store personnel. By seeking out information, such as the opinion of others, the consumer is usually attempting to reduce the risks that come with purchasing a bottle of wine.

### Perceived risks and risk reduction strategies

Leading up to a purchase decision, a consumer’s decision to purchase a product may be changed, avoided or completely put off due to one or more perceived risks. Kotler and Keller (2016) identified six potential risk types, namely functional, physical, financial, social,

psychological, and time risk. Due to insecurities that come with potentially purchasing the wrong wine, the purchase behavior of wine has been found to be highly influenced by perceived risk (Atkin & Thach, 2012). After a review of the literature on wine consumer behavior, Lockshin and Hall (2003) assert that consumers differ in their risk profiles, causing some to make adventurous wine choices, while others opt to play it 'safe'. According to Mitchell and Greatedorex (1989), wine buying decisions primarily introduce the following risks (in order of importance): functional (i.e. taste), social risks (i.e. family and friends), financial risks (i.e. price), and physical risks (i.e. hangover).

A wine cannot be tasted prior to purchase. Therefore, consumers attempt to reduce the risk of purchasing the wrong wine by using various strategies (Anchor & Lacinová, 2015). The following six risk-reduction strategies were proposed by Spawton (1991) in relation to wine:

- Selecting a known brand which has repeatedly been found to be of good quality
- Selecting a wine that has been recommended by family or friends
- Listening to the advice of a salesperson
- Using own knowledge about wine acquired from education
- Judging the quality of the wine based on its price
- Judging the quality of the wine based on its label or packaging

Considering these strategies, it becomes clearer why certain consumers (e.g. Gen Y) have been found to find wine attributes such as price, brand, labelling, and packaging to be important (Refer to Section 2.3.1). The link between consumer characteristics and the wine product offering, and their combined influence on wine consumer behavior, is thus emphasized.

## 2.4 Concluding remarks

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Although SA is traditionally a beer drinking nation, which in part stems from the country's controversial history, local wine consumption leading up to 2017 was on the rise. The South African consumer landscape seems to be changing, with new entrants to the market resulting in an increase in wine consumption in general, and an increase in domestic sales, for example, medium-priced wines. Taking into the consideration the complexity of wine and consumer behavior in general, and a scarcity of published research to aid a better understanding of the behavior of South African wine consumers, a gap exists for future research to be done. By gaining insight into the wine behavior of South African consumers, marketers will be able to position wine better, and gain competitive advantage amongst other alcoholic offerings such as beer and ciders.

## 2.5 References

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# **Chapter Three**

## **Literature review**

The three research paradigms: Mixed methods, qualitative and quantitative

## Chapter 3: The three research paradigms: mixed methods, qualitative and quantitative

### 3.1 Mixed methods research

Mixed methods (MM) refers to a rigorous research paradigm which uses both qualitative and quantitative data and finds its core value through the integration of the two data sets (Johnson & Onwuegbuzie, 2004). According to Johnson and Onwuegbuzie (2004), an enhanced understanding of a research problem is provided by the resultant integration. MM makes use of different designs that may include theoretical frameworks and philosophical assumptions (Creswell, 2014). Three major design types are widely used, namely convergent, explanatory sequential and exploratory sequential. Table 3.1 provides further detail on the three design types. The exploratory sequential design type was chosen for this study, as motivated in Section 3.1.1.

**Table 3.1** The convergent, exploratory sequential and explanatory sequential design types (Adapted from Creswell, 2015)

Design type	Initiated by	Followed by	Value
<b>Convergent</b>	Separately collecting both qualitative and quantitative data	Merging of the two data streams through discussion, data transformation or joint displays	Allows researcher to see the problem from multiple angles and validate one set of results with the other
<b>Exploratory sequential</b>	The collection and analysis of qualitative data	Use of the qualitative data to design a quantitative instrument or intervention	Improves on existing instruments due to the inclusion of the actual experiences of participants and provides insight into the generalizability of the qualitative results
<b>Explanatory sequential</b>	The collection and analysis of quantitative data	Conduction of qualitative research to explain the quantitative results	Helps researcher draw conclusions about how the qualitative results helped explain the quantitative results

#### 3.1.1 Rationale for using mixed methods and the exploratory sequential design type

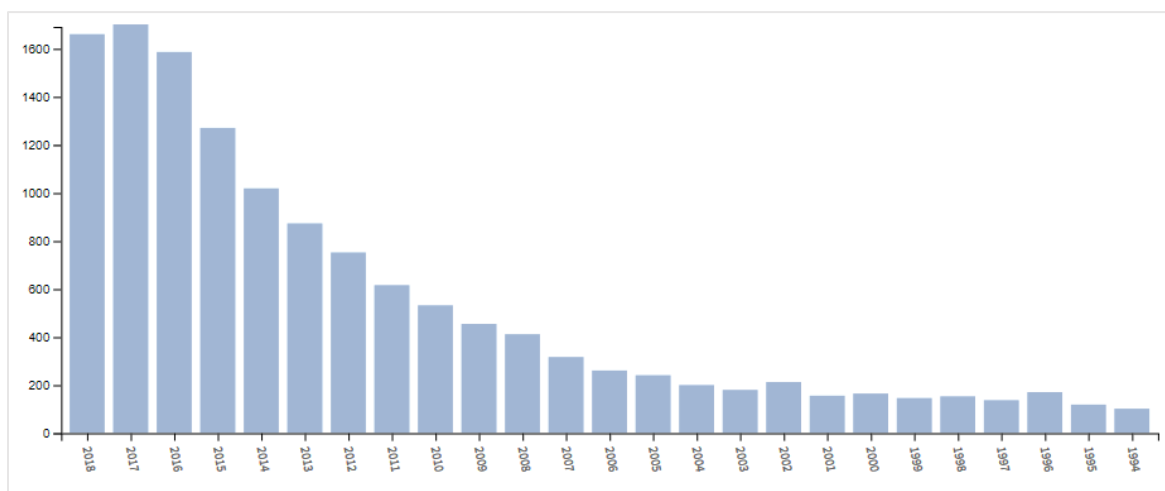
The principle behind MM is to integrate qualitative and quantitative data in such a way that a mixture with non-overlapping weaknesses and complementary strengths is likely (Johnson & Onwuegbuzie, 2004). Therefore, Johnson & Onwuegbuzie (2004) postulated that the effective use of MM results in more holistic findings to those of singular methods. As discussed in Chapter 2, consumer behavior is a complex topic to understand, and moreover, has received little attention

in a South African wine context. The appeal of using MM to conduct consumer wine research was thus recognized prior to the beginning of this study. It followed that an exploratory sequential design type would assist in the design of a survey wholly suited to the South African wine consumer.

Furthermore, it was theorized that the increased insight gained through the qualitative approach would contribute to better informed marketing implications. Amongst a range of rationale previously identified by Bryman (2006) for MM, Harrison and Reilly (2011) proposed that the exploratory sequential design provides a more complete view of the topic, aids in the design of a survey, enhances the credibility of results because qualitative and quantitative data are used, and that the qualitative approach helps provide context. These proposed rationales further supported the choice of exploratory design type for this study.

### 3.1.2 The use of mixed methods research

To gain a general overview of the use of MM within academia, a search for “mixed methods” publications was conducted on the Web of Science Core Collection (TITLE: “mixed methods”. Timespan: All years. Indexes: SCI-EXPANDED, SSCI, A&HCI, CPCI-S, BKCI-S, BKCI-SSH, ESCI and IC). The search field was chosen based on the fact that one of the key elements that must appear within a good MM title is the term “mixed methods” (Creswell, 2015). The search (run on 4 December 2018) came up with a total of 14704 records. Most records were found in the Journal of Mixed Methods Research, showing that the search was effective in identifying MM publications. Viewing the publication years of the records as represented by Fig. 3.1, it could clearly be seen that the popularity of MM research had grown exponentially over the past three decades, with 142 publications in 1994 and as many as 1650 in 2018.



**Figure 3.1** Total records for TITLE: (mixed methods), 1994 (right) to 2018 (left) (Web of Knowledge, 2018)

The United States of America accounted for most of the records (30%), while SA accounted for a mere 1%. At the time of this study, the use of MM seemed to be most popular within health care, sociology, nursing, education and psychology.

### **The use of mixed methods within marketing**

According to Abeza, O'Reilly, Dottori, Séguin and Nzindukiyimana (2015) and Harrison and Reilly (2011), despite the increasing popularity of MM within many of the social sciences, it has received little coverage within the field of marketing. The studies both reviewed the use of MM independently, within different marketing journals, and found that although scholars were becoming increasingly aware of the benefits of mixing qualitative and quantitative data, they were either failing to accurately apply, or make mention of MM (Abeza et al., 2015; Harrison & Reilly, 2011). The dominant use of quantitative, and in turn scarce use of qualitative methods, within marketing research has previously been noted, with marketers encouraging an increased use of qualitative methods as companion to quantitative analyses (Bellenger, Bernhardt & Goldstucker, 2011; Hanson & Grimmer, 2007). The historical lack of qualitative research in the marketing literature may explain why there has also been little work done in the area of MM, wherein the pivotal role of qualitative research cannot be denied. Furthermore, Hughes (2016) asserted that understanding the application of MM can be time-consuming and “tricky”, therefore presenting a challenge to researchers who traditionally use only qualitative or quantitative methods. Within a field that has been largely dominated by quantitative methods, marketing scholars are failing to demonstrate knowledge of MM.

### **The use of mixed methods within wine research**

A failure to demonstrate MM skills can be seen in a recent study in wine consumer research. Mehta and Bhanja (2018) identified that the Indian wine market differs from others, therefore, the study first explored and identified wine attributes sought after by Indian consumers through qualitative interviews. Mehta and Bhanja then investigated the importance of the identified attributes by performing a quantitative technique, conjoint analysis. The study collected and mixed qualitative and quantitative data for ‘instrument development’, which forms the backbone of a typical exploratory MM design. However, no mention of MM or its procedures was made in the study, suggesting that Mehta and Bhanja were either unaware of the method’s existence, or were untrained in its use, therefore failing to define it.

Furthermore, no other study could be traced within the wine sciences that made use of MM. With a product as complex as wine, and the vast range of variables that play a role during

winemaking, it may be beneficial for wine scientists to consider the use of MM for their research. For instance, chemical analyses of different styles of wine (quantitative) could be compared with results from consumer tastings on the same wines (qualitative) to adapt winemaking techniques accordingly. Taking into consideration the scarcity of MM research, a clear gap exists to create awareness of MM within wine consumer research, and ultimately, the field of wine sciences and marketing. To do so, an understanding of each the qualitative and quantitative paradigms are vital.

### 3.2 Qualitative research

Qualitative research is a form of measurement in which aspects of the social world are captured in several ways, which do not make use of numbers during analysis (King & Horrocks, 2010), and emerged within the field of marketing and consumer behavior in the late 1970s and early 1980s (Fischer, Castilhos & Fonseca, 2014). Key advantages and disadvantages of qualitative research have been identified and shown in Table 3.2.

**Table 3.2** Advantages and disadvantages of qualitative research (Adapted from Creswell, 2015 and Atieno, 2009)

Advantages	Disadvantages
Offers detailed perspectives	Generalizability limited
Assists in the development of themes and theory from data collected in the field	Does not produce hard data such as numbers
Provides context	Low sample size
Minimizes researcher bias	Highly subjective
All qualitative data can be quantitatively coded	Reliant on participants and thus minimized use of researcher's expertise

When relating some of the advantages in Table 3.2 to the qualitative phase of this study for instance, it was theorized that the qualitative exploration would:

- Offer a *perspective* of consumers' lived experiences with wine
- Help the researcher *discover theory* by designing a survey based on qualitative findings rather than purely making use of the literature
- Provide context by answering the *why* and *how* behind the importance of attributes guiding a wine selection

A review of the literature on consumer wine behavior by Lockshin and Corsi (2012) identified a lack of research making use of good qualitative techniques to gain insight into wine

markets. According to Atieno (2009), an understanding of human behavior goes hand-in-hand with an understanding of the framework wherein people interpret their feelings, thoughts and actions. Thus, it could be suggested that qualitative research will not merely enrich findings on wine selection behavior, but that the findings will be lacking without it. For instance, the finding that taste is the most important attribute guiding Generation Y's wine selection (e.g. Lategan, Pentz & du Preez, 2017; Chrysochou, Krystallis, Mocanu & Lewis, 2012) lacks an insight into the sensory profile that the generation prefers.

### **Data collection**

According to Fischer et al. (2014), interviews are the predominant avenue for data collection within qualitative studies. In-depth qualitative interviews were grouped by Rubin and Rubin (2012) into four broad categories: online Internet interviews, focus groups, casual conversations and passing clarifications, and unstructured and semi-structured interviews. The semi-structured interview was identified as the principal form of qualitative interviews in the human and social sciences (Brinkmann, 2018).

The semi-structured interview has been described as an interview which aims to see the world through the eyes of the interviewee and thus provide meaning to a phenomenon (Kvale & Brinkmann, 2009). The researcher initiates semi-structured interviews with a specific topic in mind, by preparing a limited set of questions prior to the interview, in order for follow-up questions to be asked during the interview (Rubin & Rubin, 2012). The approach allows the interviewee more leeway than a structured interview in that the interviewer may follow up on any angles considered important (Brinkmann, 2018). For instance, if an attribute is mentioned during the interview, it is possible for the researcher to probe for more information regarding that attribute to provide more context, and better guide interpretations made.

Semi-structured interviews could be used to qualitatively explore the topic of wine selection behavior to follow suggestions made by Lockshin and Corsi (2012) for future research, namely to conduct qualitative research as a preliminary step to the quantitative component of the study.

### 3.3 Quantitative research

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Quantitative research is empirical in nature, capturing data as numbers, such as probability values and percentages (King & Horrocks, 2010), and is also known as the “scientific paradigm” (Atieno, 2009, p. 13). Quantitative research has the following key advantages and disadvantages as summarized in Table 3.3. Referring to the advantages listed in Table 3.3, it is theorized that the advantages of conducting quantitative research will overcome some disadvantages of qualitative research. For example, a large sample size (Table 3.3) used for quantitative research overlaps with the disadvantage of the small sample size used in qualitative research and may overcome the limited generalisability of data provided by the latter (Table 3.2).

**Table 3.3** Advantages and disadvantages of quantitative research (Adapted from Creswell, 2015 and Atieno, 2009)

Advantages	Disadvantages
Large sample size	Impersonal
Efficient analysis of data	Does not account for participants’ words
Relationships within data are investigated	Limited account of context
Probable cause and effect are examined	Mainly researcher driven
Bias is controlled	Complex assumptions beneath all numbers

As previously mentioned, quantitative research is used prevalently within marketing research. During a review of more than 75 wine behavioral articles, Lockshin and Hall (2003) found that researchers frequently used rating scales to study consumer’s preferences for wine attributes. With the use of rating scales, respondents are asked to rate attributes of wine on a given scale, as to establish their preferences. According to Cohen (2009), rating scales are easy to administer and the data produced is easily analyzed and interpreted using simple statistical methods, however, rating scales weakly discriminate between attributes (Hein, Jaeger, Carr & Delahunty, 2008). For instance, an equal or similar importance can be given to several attributes, and no trade-offs between attributes can be made by respondents. Therefore, conclusions made from scale-based surveys may be unreliable (Cohen, 2009; Flynn & Marley, 2014).

To overcome limitations presented by scale-based surveys, Finn and Louviere (as cited in Flynn & Marley, 2014) proposed the “best-worst” method in 1992, which they then used to study the general public’s concern over food safety issues, including pesticide usage and food irradiation.

### 3.3.1 The application of Best-Worst Scaling

Best-Worst Scaling (BWS) is an extension of Thurstone (1927)'s paired comparisons, an established method within consumer and sensory sciences (Jaeger, Jørgensen, Aaslyng & Bredie, 2008). BWS involves subsets of attributes which consumers examine and then indicate their least/worst as well as most/best favorable attribute within each set (Goodman, Lockshin & Cohen, 2005), forcing respondents to make trade-offs between attributes. Opposed to other scaling methods, BWS does not introduce bias by "individual scale usage" (Chrysochou et al., 2012). In 2009, the use of BWS within wine marketing studies was said by Cohen (2009) to be limited, but has been used frequently since then to study wine selection behavior (e.g. Bernabéu, Díaz, Olivas & Olmeda, 2012; Chrysochou et al., 2012; De-Magistris, Gracia & Albisu, 2014; Lategan et al., 2017; Nunes, Madureira, Oliveira & Madureira, 2016; Pomarici, Lerro, Chrysochou, Vecchio & Krystallis, 2017).

According to Cohen (2009), the first step to conducting BWS is deciding on the total number of attributes to compare and then to find a design compatible with that amount.

#### Selection of attributes

Previous studies on wine selection behavior have prevalently made use of secondary sources to select wine attributes to be studied during BWS. For instance, Chrysochou et al. (2012) selected 13 attributes based on other off-premise wine studies and served as the foundation study for Lategan et al. (2017) to compare the same 13 attributes within a South African context. Based on a review of literature, Pomarici et al. (2017) selected 11 wine attributes and De-Magistris et al. (2014) selected 12 attributes that were seen to play a role in consumer's decision-making whilst selecting a wine for purchase. Although Nunes et al. (2016) chose 15 of their 18 wine attributes from previous studies, the remaining three were new attributes incorporated by the researchers, namely "Price below 10 Euros", "Price above 15 Euros" and "Controlled Denomination of Origin (CDO) of wine". The two price-related attributes were incorporated to stress the importance of price and the latter attribute due to its appearance in literature and its relevance to the Portuguese wine market. Bernabéu et al. (2012) also chose 11 attributes from the literature as well as "interviews with experts, a previous questionnaire and similar papers published in other countries". However, no further detail is given on the interviews or questionnaire.

Considering the studies mentioned, a clear gap exists for more rigorous approaches to be used in identifying attributes to be studied. As stated by Atieno (2009, p. 17): "All quantitative data is based on qualitative judgment. Numbers in and of themselves can't be interpreted without understanding the assumptions which underlie them". The dearth in rigorous qualitative research



guiding BWS further supports why an exploratory sequential MM design was used for this study. Furthermore, the current study will rely on both the attributes identified within literature (as discussed in Chapter 2) as well as the findings from interviews (Chapter 4). By depending on both literature and rigorous qualitative data in designing a survey, the reliability of the results gained through the survey is enhanced.

## Design

The combination of attributes into subsets has previously been done using a balanced incomplete block design (BIBD) (Chrysochou et al. 2012; Lategan et al. 2017) based on the assertion of Cohen (2009) that the BIBD is recommended to organize the attributes under study into subsets. The BIBD ensures that each subset contains a unique combination of attributes and that each attribute appears the same number of times across all subsets (Flynn & Marley, 2014). Cohen (2009) asserted that a total of four to six attributes per subset is ideal for most tasks and respondents, and depending on the number of attributes per subset, the total amount of subsets will vary. However, Cohen (2009) also stated that respondents become bored after 10-12 subsets.

To summarize, if 13 attributes are chosen and each subset contains four attributes, a total of 13 subsets will be needed. Table 3.4 is an example of a completed subset similar to the ones used by Cohen (2009).

**Table 3.4** Example of completed subset during Best-Worst Scaling

Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and the attribute you consider to be LEAST important

Most	Attribute	Least
	Brand name	
X	Price	
	Grape variety	X
	Someone recommended it	

## Data analysis

To determine the level of importance of each attribute, the aggregated Best-Worst scores (BW-S) (Chrysochou et al., 2012; Lategan et al., 2017) are calculated for each attribute by deducting the total number of times the attribute was selected as least important from the total amount of times it was selected as most important (Bernab   et al., 2012). Considering the example in Table 3.4, the aggregated BW-S can therefore vary between -4 and +4, considering each attribute can be chosen either as least or most important a maximum total of four times. Further detail on the analyses that follow is provided in Chapter 5.

### 3.4 Concluding remarks

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Qualitative and quantitative research both play a unique and vital role in understanding a phenomenon. Through their integration, a key concept of MM research, a more in-depth view of the topic can be gained. However, MM publications in the field of marketing are scarce, and no such publications could be identified within the scope of wine consumer behavior.

Previous studies that utilized BWS for the study of wine selection behavior have relied primarily on attributes identified within literature, therefore, a gap exists for attributes to be identified specifically based on the current South African wine consumer. The usefulness of an exploratory sequential design type was therefore further realized.

The following chapters will, therefore, make use of an exploratory sequential MM design to identify attributes by conducting semi-structured interviews to be used within BWS and other closed-ended questions. It is expected that the results will provide a better understanding of the South African wine consumer and thus justify the value of MM for the study of wine consumer behavior.

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# **Chapter Four**

## **Qualitative exploration of the South African wine consumer market**

## Chapter 4: Qualitative exploration of the South African wine consumer market

### Abstract

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Wine is a complex product, leading to an intricate consumer decision-making process. However, limited published research exists on understanding the South African wine consumer's behavior. Therefore, this exploratory study aimed to explore and better understand the South African wine consumer market from an industry perspective. Seven one-on-one semi-structured interviews were held with industry role-players. Thematic text analysis was used to identify emerging themes within transcripts, namely *what is on or around the wine bottle is of importance*, *the wine's sensory appeal is of importance*, *consumers want to connect to the wine personally and/or socially*, *consumers want to make an informed decision*, *consumers will look out for something they haven't seen before*, and *consumers will consider the consumption and/or purchase situation*.

**Keywords:** thematic text analysis, South Africa, wine consumer market, Generation Y

### 4.1 Introduction

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Wine is considered a complex product in comparison to other food products due to its inherent variability. The variability stems from an array of factors such as the grape variety, origin and vintage. Thus, the taste of the wine cannot be predicted (Lockshin, Jarvis, D'Hauteville & Perrouy, 2006). In general, consumers easily substitute brands with one another (Lockshin et al., 2006), however, the inconsistencies that are associated with wine make for a complex decision-making process which necessitates a unique and effective marketing approach. To be achieved, it is vital to identify and understand the factors that play a role in the customer's decision-making process (Hall, Binney & O'Mahony, 2004).

Although South Africa (SA) has produced wine since the 16<sup>th</sup> century (Goode, 2013), the South African wine consumer market is still in its infancy. The infancy can clearly be seen through the low consumption of wine relative to other alcoholic drinks such as beer (Holtzkampf, 2015), mainly stemming from SA's complex political history impeding the widespread adoption of a wine culture (Ndanga, Louw & van Rooyen, 2010). However, wine is progressively becoming a lifestyle beverage (Lategan, Pentz & du Preez, 2017) and the local wine market has experienced growth through new entrants to the market. The growth is mostly due to urban females entering the sweet

red and rosé wine sector. According to Holtzkampf (2015), the entrants attributed to a 7.7% volume increase in annual wine consumption in 2015.

The general complexity of wine coupled with the promise of a changing consumer landscape in SA demands attention. Therefore, an investigation to facilitate the implementation or adaptation of a marketing strategy to further stimulate growth of wine consumption in SA is vital. A route to such a strategic destination is a deeper look at the driving factors leading consumers up to the selection of a particular wine (Chrysochou, Krystallis, Mocanu & Lewis, 2012).

The existing literature on South African wine consumer behavior is limited. Therefore, this study was initiated with a qualitative phase with the aim of exploring the domestic wine market. It was theorized that the exploration would assist in putting consumers into perspective through the lived experience of wine industry role-players.

Qualitative research creates a framework which is built not from prior research results or the perspective of the researcher, but is rather a reflection of reality (Atieno, 2009). By understanding the consumer's reality, new understandings may occur that may not have been gained when using previous research to guide a study. Therefore, the aim of this

## 4.2 Methodology

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One-on-one semi-structured interviews with wine industry role-players were used for data collection with the aim of exploring and better understanding the South African wine consumer market. Industry role-players were deliberately chosen as interviewees due to their close contact with consumers and intimate knowledge of the wine product.

The intention of the qualitative exploration was to identify emerging themes to be used in the quantitative phase (Chapter 5) in designing a survey to be tested on South African wine consumers. Qualitative studies are conducted to generate contextually laden, rich, explanatory data. Therefore, they are not concerned with producing population-based *p*-values and estimates (Guest, Namey & Mitchell, 2013b). By using qualitative research, the *hows* and *whys* of human behavior, experience and opinion, which are difficult to measure using quantitative data collection methods, can be answered (Guest, Namey & Mitchell, 2013a).

### 4.2.1 Interview protocol

The qualitative interview protocol was designed based on several informal discussions with members of the wine industry (separate to those formally interviewed) and a review of the

literature on South African wine consumers. The discussions particularly led to the realization that an understanding of the South African wine consumer was lacking, emphasized by the limited amount of published research pertaining to consumer behavior in a South African wine context. Therefore, questions that were asked probed topics such as:

- Consumer segments that should be targeted by the wine industry
- Industry bodies that are of importance for the sustainability of the wine industry
- Wine cues that are of importance to consumers in making a wine selection
- Current and potential methods of communication for wine
- How to strengthen the bond between wine and consumers
- Lessons from another industry (Beer)
- Wine's potential to become the alcoholic beverage of choice in SA

The questions were open-ended to ensure that answers were not influenced by a pre-determined list of alternatives, and open-ended elaboration questions were asked to obtain a deeper insight into what a participant may have meant during a previous answer (Peterson, 2013). An example of a probe question during one interview within this study was: *“Just going back to what you said now; if it has a lot of stickers and it has a high price point; they'd stay away from it?”*. The use of open-ended questions was especially important as the qualitative phase is often aimed at understanding a phenomenon and/or used to generate closed-ended questions for research at a later stage (Peterson, 2013), which is true for this study and therefore it is vital to understand the context of an answer.

#### **4.2.2 Participants**

Participants were selected using purposeful snowball sampling (Marshall, 1996). Wine industry role-players were chosen as participants as they offer a rich source of information due to their wine product experience and close contact with consumers. Using sources which provide rich data are important for qualitative studies, as the aim is to provide deeper insight into a topic.

In choosing study participants, leading members of the wine industry were consulted for recommendations. The participants chosen and interviewed consisted of a wine consultant who is also a Cape Wine Master, which is considered the highest formal qualification in the South African wine industry; a wine estate brand ambassador; a cellar controller involved in winemaking and conducting wine tastings for consumers; a wine communications manager; a marketing director; a sommelier at a Cape Town-based international tourist attraction; and a public relations professional with 14 years' experience heading a company with clients from the wine industry.



The marketing director had previously worked for a successful South African wine brand, and currently works for a company that is the sixth largest player worldwide in the premium spirits industry. Therefore, the participant's perspective was two-fold, speaking from experience in the wine industry and giving perspective on where the spirits industry has been successful. This was seen to be especially important because of the increasing popularity of spirits in SA.

The appropriateness and adequacy of the sample were assessed by applying the concept of saturation by which interviews were conducted on a one-by-one basis until data saturation was reached, equating to seven total interviews being conducted. Data saturation occurs when no new themes come up with regard to the theory that has been newly constructed and information overlap begins occurring. The researcher sees this occurrence as the point at which data collection can be terminated (Saumure & Given, 2008).

Although more than one topic was discussed within each interview, the specific topic of consumer wine selection behavior was looked at for this study and its analyses will be discussed in more detail within this chapter.

#### **4.2.3 Data collection**

Data was collected over a period of 3 months spanning from beginning August to end October 2017. Interviews were conducted by contacting participants via email and/or telephonic conversations to initiate the process by providing background on the project and introducing the researcher and supervising researcher to the potential interviewee. All persons contacted agreed to be interviewed. Interviews lasted between 40 and 55 minutes and were conducted in person with both the researcher and supervisor present. All interviews were audio-recorded and transcribed verbatim into MaxQDA Analytics Pro 12 (Release 12.3.5).

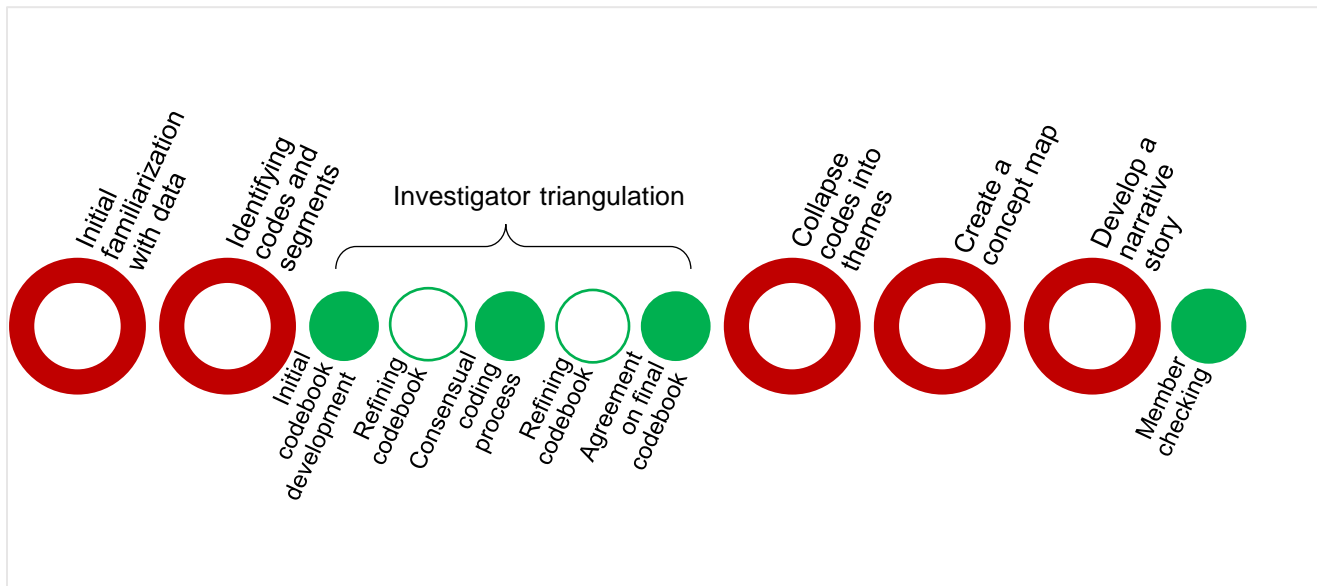
#### **4.2.4 Data analysis**

Data analysis involved a qualitative thematic text data analysis approach (Kuckartz, 2014b). Thematic text analysis is a method used to identify emergent themes within a text. Within qualitative research, thematic analysis offers a more accessible analytical tool for researchers new to the field (Braun & Clarke, 2006).

The topic of consumer wine behavior was described by inductively (Braun & Clarke, 2006) identifying themes within the data. 'Inductive' means that themes were identified without taking the researcher's preconceived ideas into consideration whilst analyzing the data, but rather by gaining knowledge from the data itself. Therefore, no hypotheses were set out prior to the beginning of the study, which is not uncommon in qualitative text analysis (Kuckartz, 2014a). This



was especially important as the study was exploratory in nature. The overall procedure of analysis is summarized in Fig. 4.1 and will be described in more detail within the following section.



**Figure 4.1** Summary of the overall thematic text analysis process. Large circles (red) refer to the main steps of thematic text analysis, whilst small circles (green) form part of the qualitative validation strategy, consisting of investigator triangulation and member checking

#### a. Initial familiarization with data

Analysis commenced by reading through all transcripts to familiarize the researcher with the databases, after which the transcripts were re-read and key observations manually highlighted.

#### b. Identifying codes and segments

Using the analytical software MaxQDA Analytics Pro 12 (Release 12.3.5) a lean coding approach (Creswell, 2013) was used by identifying only text segments that related to consumer wine selection behavior. Codes were assigned to each text segment based on its essence.

- **Investigator triangulation (Qualitative validation strategy)**

Investigator triangulation, a validity procedure that uses more than one investigator to analyze results within a study (Denzin, 1970), was done to test for consistency of the researcher's findings. Other forms of triangulation include the use of multiple and different information sources to, in their union, form categories and themes in a study (Creswell & Miller, 2000). Therefore, intercoder agreement (Creswell, 2016) was conducted with three additional investigators with

expertise ranging from marketing and behavioral sciences to sensory sciences and biochemistry using the following procedure:

- **Initial codebook development**

An initial codebook was developed by the researcher to encompass all identified codes. The codebook included informal definitions, inclusions and exclusions, as well as quotations to illustrate the type of data identified for each code. Starting the process of intercoder agreement, all investigators were provided with a copy of the initial codebook, which was used by each investigator to independently code the same transcript. Providing investigators with the codebook demonstrates the researcher's approach to the coding process (Creswell, 2016).

- **Refining of codebook**

The discussion and monitoring of codes are important during the process of analysis (Morse & Richards, 2013) as the codebook is not a fixed document and thus refined during the process of intercoder agreement (Creswell, 2016). Therefore, the coded transcript was discussed during a meeting with all investigators plus researcher, during which suggestions were made on the inclusion and exclusion of certain codes. For example, '*place of purchase*' was identified by two investigators, whilst the principle researcher had not identified it. Thus, the addition of '*place of purchase*' to the codebook was discussed and agreed on. The refined codebook was then used by the investigators to code chosen passages within all transcripts. This refinement process continued until the end of intercoder agreement when the final codebook was unanimously agreed on.

- **Consensual coding process**

A consensual coding process (Creswell, 2016) by which investigators and the researcher informally discuss and resolve coding questions that arise, was continued, as seen in Table 4.1. The percentage of agreement between investigators was calculated by adding the percentage of investigators that agreed on each specific code and dividing it by the total amount of codes mentioned.

**Table 4.1** Intercode agreement between investigators for passages from a participant's transcript

Passage	Code label principle researcher	Code label investigator 1	Code label investigator 2	Code label investigator 3	Percentage agreement
I really do think that is the case, so you know, when you're in Durban, you have to consider that there's a massive Indian community, and their approach is very different - especially when you're coming to wine, because the food that they eat is different to the rest of South Africa. A more traditional white Afrikaans person will be more of a 'I drink wine with my braai'. I know I'm stereotyping a lot here, but it's just to set a tone here - and I'm thinking whereas your English people have a more European menu, and your black person has a more you know traditional menu.	Food and wine	Food and wine	Food and wine	Food and wine	100%
Brands that they can trust, and their income brackets are very important as this will determine which wines they look at. The wealthier consumers will especially look at bottles with the most wine stickers/awards to make their decision.	Brands, Price, Label	Brand, Awards	Brand, Price, Wine awards, Label	Brand	62%
Social media, there in that group is powerful - super powerful. So, within that; video YouTube; that kind of thing. We're seeing this in Europe, hugely, people that we spoke to now in the last two weeks. TV is becoming absolute. The youth of today are on their phones: their tablets, their phones. They watch YouTube videos, whatever they can stream onto their phone, or access using data - that's what they want, that's how to get through to them, actually one guy said to us, if I send my daughter an SMS, she won't respond, if I send her a snapchat, she responds. Interesting.	Communication	Communication (online)	Communication	Communication	100%

This procedure, as shown in Table 4.1, was followed for passages from all transcripts, after which the average percentage of agreement across all transcripts was calculated. The percentage of agreement between all investigators at this stage was calculated to be 65%. However, Miles, Huberman and Saldana (2013) recommend an agreement percentage between 85-90%. Therefore, all investigators regathered and passages with a low percentage of agreement were discussed to identify possible discrepancies. It became clear through debate

amongst the investigators that the codebook needed to be re-adjusted. This realization demonstrates the value of the ongoing codebook **refinement process**. For example, '*feeling*' was removed from the code '*status/image/feeling*' to form the code '*status/image*', and segments relating to feelings and/or emotions were agreed to fall under the code '*experience*' as this was unanimously defined to be something a person can "feel".

The overall process of reaching intercoder agreement spanned over a period of one month and was done until 80.7% agreement was reached, which was ultimately seen to be sufficient for this study.

### Agreement on final codebook

The final codebook was sent to all investigators and all agreed that it was correct. Table 4.2 shows the final codebook which clearly defines each code by use of formal definitions as well as an 'informal' definition as agreed on during intercoder agreement.

**Table 4.2** Codebook generated during thematic analysis

<b>Code</b>	<b>Formal definition (dictionary.com)</b>	<b>Informal definition, inclusions, exclusions, and notes</b>
<b>Wine's story</b>	Story: a narrative, either true or fictitious, in prose or verse, designed to interest, amuse, or instruct the hearer or reader; tale	Relates to a want for extra information on the wine, relating to the literal 'story' or information on how the wine was produced
<b>Past experience</b>	Experience: knowledge or practical wisdom gained from what one has observed, encountered, or undergone	Use of a previous experience to decide, including experiences relating to different attributes, e.g. with a specific brand
<b>Simplicity</b>	Simplicity: the state, quality, or an instance of being simple OR freedom from complexity, intricacy, or division into parts	Relates to consumers wanting to easily understand a wine - including communication/language or wine being uncomplicated in general
<b>Label</b>	Label: a slip of paper, cloth, or other material, marked or inscribed, for attachment to something to indicate its manufacturer, nature, ownership, destination	Anything relating to the word 'label', or the design of the label on the outside of the wine bottle and a consumer's interest in it
<b>Role models</b>	Role model: a person whose behavior, example, or success is or can be emulated by others, especially by younger people	Look to an outside source (person) to recommend a wine or give more information on the wine
<b>Occasion</b>	Occasion: a special or important time, event, ceremony, celebration	The where, when, how, with whom, why, what - includes how/if an occasion will affect a consumer's choice, and the mention of 'occasion'

<b>Experience</b>	Experienced: to have experience of; meet with; undergo; feel	Relates to a connection, emotion. Excludes anything to do with the intrinsic and extrinsic factors of wine
<b>Wine style</b>	<sup>a</sup> The main wines styles are: Red wine, white wine, rosé, sparkling wine and dessert wine (Fortified wines)	To do with the intrinsic factors of the wine, including red/white/etc., 'wine style', body. Flavor and taste are coded separate to the wine style as this code refers mainly to the main wine styles
<b>Status/image</b>	Image: a mental representation; idea; conception. Status: the position of an individual in relation to another or others, especially in regard to social or professional standing	Tells us that wine says something about a consumer, including how the wine may affect their image. Includes how consumers consider their image to be of importance
<b>New/ different/ exciting</b>	New: of a kind now existing or appearing for the first time; novel; 'different': not ordinary; unusual	Anything that tells us that consumers would like something 'new', 'exciting', adventurous, or something that is different to the norm. Includes intrinsic and extrinsic factors and experiences
<b>Flavor</b>	Flavor: taste, especially the distinctive taste of something as it is experienced in the mouth	Relates to consumers wanting flavorful wines and flavor being of importance (includes taste and the word 'sweet')
<b>Cultivars a burden</b>	Cultivar: a variety of plant that originated and persisted under cultivation	Either directly states or implies that cultivars are a burden
<b>Communication</b>	Communication: something imparted, interchanged, or transmitted. In marketing: to persuade, inform, and/or remind	Relates to the importance of social media and consumer's want for more information
<b>Wine awards</b>	<sup>b</sup> Printed on wine labels: small gold, silver, or bronze images accompanied by tiny print indicating that the wine has won a medal in this or that competition	Relates to competitions, award stickers and how consumers look out for stickers on wine bottles
<b>Brands</b>	Brand: kind, grade, or make, as indicated by a stamp, trademark, or the like	Relates to the brand of the wine - displayed on the wine bottle, includes how consumers see a brand, or what is important to them in terms of the brand
<b>Price</b>	Price: the sum or amount of money or its equivalent for which anything is bought, sold, or offered for sale	How much a wine costs and how the price of the wine influences a consumer's choice or opinion of a wine, includes anything that shows how important price is to consumers (relative to both a want for expensive as well as cheaper wines)

<b>Place of purchase</b>	Place: a particular portion of space, whether of definite or indefinite extent	Where consumers purchase wine, relating to retail, in a restaurant, at a bar, and so forth.
<b>Food and wine</b>	-	Relates to an occasion where both wine and food are involved and their combined importance to consumers

Superscripts in the formal definitions column refer to where dictionary.com gave no results and explanations were retrieved from <sup>a</sup>WineFrog Inc. and <sup>b</sup>NUVO magazine

### c. Collapse codes into themes

Codes that were similar in nature were grouped into themes. For example, brands, price, cultivars a burden, label and wine awards were all seen to relate to the exterior of the wine bottle and were therefore grouped under the theme '*what is on or around the wine bottle is of importance*'.

### d. Create a concept map and develop a narrative story

Finally, a concept map which summarizes the results was developed by looking at possible relationships between themes and codes, as well as a narrative written to explain the themes and codes in more detail (refer to Section 4.3). The concept map was sent to all investigators and accepted to be illustrative of the essence of the codes.

#### • Member checking (Qualitative validation strategy)

Member checking, which is “the method of returning an interview or analyzed data to a participant” (Birt, Scott, Cavers, Campbell & Walter, 2016, p. 1802), was done to validate the interpretation of results. Pre-analysis, the transcribed documents were emailed to all respective participants to be checked for mistakes and misinterpretations of words or sentences. Five of the seven participants responded and confirmed that the document was a correct representation of their words, while two participants made minor adjustments which were noted. Post-analysis, the summary of the interpretations was emailed to all interviewed participants and the following questions were asked:

1. How close is this summary to your impressions?
2. Are there aspects you would add? If so, please elaborate.
3. Are there aspects you disagree with or would remove? If so, what?

Six out of the seven participants responded and validated the summary, of which all stated that they would not make any changes. The importance of communication was emphasized and elaborated on by the wine communications manager, wine consultant and public relations person. The elaborations included the importance of social media and identifying Generation (Gen) Y's

preferred communication methods, as well as the importance of communicating a message that consumers can personally associate with rather than communicating a 'generic message'.

#### **4.2.5 Qualitative validation strategy**

A consensus exists that qualitative studies should demonstrate credibility (Creswell & Miller, 2000). As discussed in Section 4.2.4, two primary methods of validation were used within this study: investigator triangulation by intercoder agreement, and member checking. Therefore, the study was validated through two 'lenses': the researcher's and study participant's. A 'lens' refers to a viewpoint the inquirer uses within a study to establish validity (Creswell & Miller, 2000). These qualitative validation strategies add to the rigor of the study, as the researcher was both the data collector and analyst, which may have led to bias if not for the validation steps being conducted.

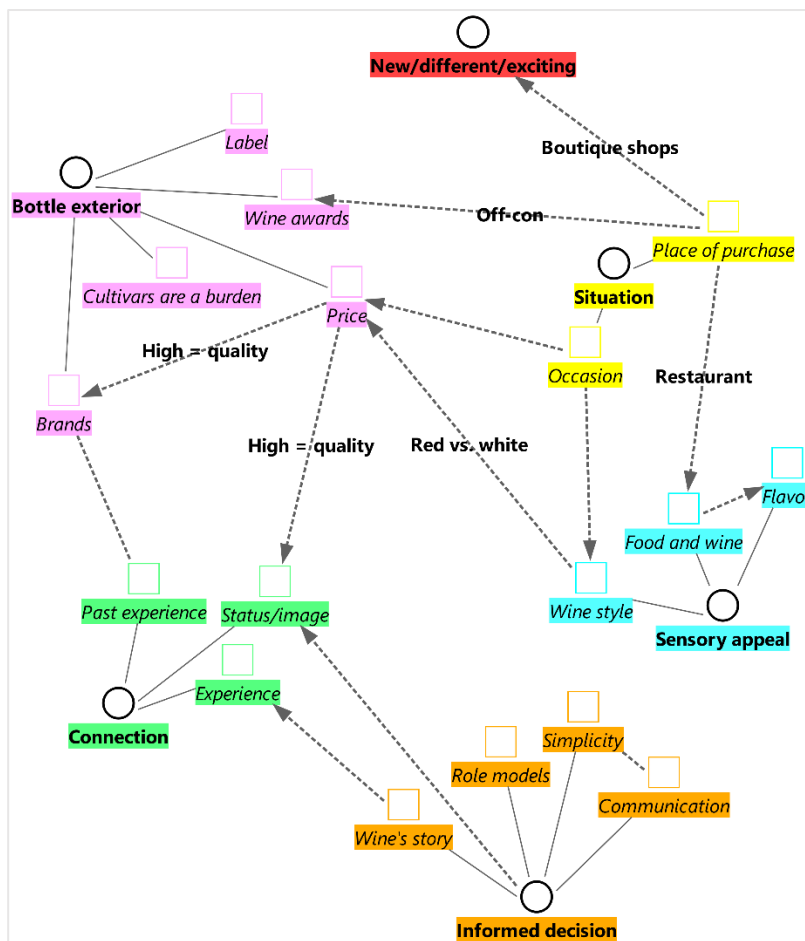
### **4.3 Findings and discussion**

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The qualitative analysis revealed six themes regarding consumer wine purchase behavior:

- What is on or around the wine bottle is of importance (Bottle exterior)
- The wine's sensory appeal is of importance (Sensory appeal)
- Consumers want to connect to the wine personally and/or socially (Connection)
- Consumers want to make an informed decision (Informed decision)
- Consumers will look out for something they haven't seen before (New/different/exciting)
- Consumers will consider the consumption and/or purchase situation (Situation)

The following section provides more detail on each theme, the codes identified under each theme and summarizes the results within a concept map (refer to Fig. 4.2). The results are supported by illustrative comments from the qualitative data.



**Figure 4.2** Concept map depicting themes (circles) with each theme highlighted in the same color as its respective codes (squares) and how they relate to one another (dotted lines). The arrow points towards the code/theme that is dependent on the code/theme from which the arrow originates. For example, brand is dependent on price, with a high price = a better brand due to a perception of quality. Constructed using MaxQDA Analytics Pro 2018

Within Section 4.3.1, the consumer context of the findings is specified followed by Sections 4.3.2 to 4.3.8 which provide an elaboration (narrative story) and discussion of all themes identified. The following reporting conventions are used for consistency: “some” refers to two or three participants, “multiple” refers to four, and “many” refers to five or more. All findings are given and discussed in separate paragraphs so that each paragraph begins with the findings of this study, and end with comments on literature.

### 4.3.1 Consumer context

Participants were left to speak freely when referring to consumers whilst making statements. When asked which consumers are of most importance to the wine industry, many participants considered Gen Y and 'young people' to be of importance. Some participants also



mentioned black consumers. Thus, it was assumed and confirmed through member checking that the context of answers given was related to Gen Y, unless otherwise stated.

#### 4.3.2 What is on or around the wine bottle is of importance

All participants expressed that consumers will consider an attribute on or around the bottle of wine to be of importance when making a wine purchase decision, as can be seen in Table 4.3. Attributes mentioned were the wine's label, wine awards, the wine's brand and the price of the wine.

**Table 4.3** Consumers consider what is on/around the bottle to be of importance

<b>Code</b>	<b>Description</b>	<b>Sample excerpts from interview</b>
<b>Label</b>	Consumers will look at the label, what is on the label and/or the style of the label	"Firstly, people look at the price, some believe if the price is higher the quality is always good, and some must look for an appealing label" (Sommelier) "some people are more attracted to the label and will buy the label" (Cellar controller)
<b>Cultivars a burden</b>	Consumers find cultivars to be a burden and/or confusing. Consumers who are more experienced with wine will be interested in cultivars	"As a beginner, cultivars can be confusing" (Sommelier) "a lot of South Africans are not going to burden themselves with that kind of technical information about wine" (Public relations)
<b>Wine awards</b>	Awards on a wine bottle will help sell the wine	"wealthier consumers will especially look at bottles with the most wine stickers/awards to make their decision" (Wine communications manager) "certainly, awards and stickers" (Brand ambassador)
<b>Brand</b>	Consumers will go for brands they recognize and/or trust, but is of most importance to traditional wine drinkers	"Brands that they can trust" (Wine communications manager) "if you appeal to another segment; the more tradition wine drinking segment, which is a declining segment - that is really all about the brand and the price" (Wine consultant)
<b>Price</b>	The price of a wine will affect a consumer's decision in numerous ways	"in terms of a consumer's point of view, the price plays a role. You may have a bottle of wine at a certain price point and technically this person can afford it but they're not willing to pay that much for let's say a white wine" (Brand ambassador) "don't make the mistake of thinking with Bouj-wa it's just about money - the lower the better. It's the other way around - the more expensive, the better the brand" (Marketing director)

## Label

Some participants mentioned that the label should be appealing to consumers. The wine consultant mentioned that consumers may find '*wine-related*' labels to be appealing and others go for a label that is '*worlds apart*', which is supported by a review of papers which summarizes the importance of the label design, and how different designs will affect the consumer's perception of the wine (Lockshin & Corsi, 2012).

## Wine awards

Multiple participants stated that a wine bottle with awards will carry weight and help sell a wine. However, the importance of wine awards was mentioned by the sommelier to be specific to retail where stickers are visible, unlike in a restaurant setup.

A review of literature looking at studies done on the influence of wine awards on purchase behavior shows that although the studies make use of different methods, all the studies confirm the importance of wine awards (Neuninger, Mather & Duncan, 2017). When subsequently studying groups with different levels of wine involvement in New Zealand, it came up that all groups used awards to some extent (Neuninger et al., 2017).

Relating to the sommelier's comment on the retail versus restaurant setup, Bruwer, Saliba & Miller (2011) also state that the on-premise sector is tricky in that less information is provided than in the off-premise sector. In a restaurant, fewer informational cues are provided on the wine list, which is used to make a purchase decision (Bruwer et al., 2011). Consumers choose their wine without seeing the bottle, therefore the award stickers will not be visible to the consumer and will thus not play a role in their decision to purchase the wine. This shows the importance of the purchase situation, which will be discussed in more detail under the theme of '*The purchase situation is important*'.

## Brands

The importance of the wine brand was mentioned by many participants. Consumers should know the brand, trust the brand and the brand should be visible on the shelf. It was also mentioned by the wine consultant that in terms of traditional wine drinkers, brand and price are the most important factors in making a wine selection, but that this is '*a declining segment*'.

A study on Portuguese students' wine consumption also found that young adults are faithful to brands they know (Silva, Figueiredo, Hogg & Sottomayor, 2014). It has also been said that the more knowledgeable a consumer becomes, the more their attention moves towards price and brand, whereas less experienced, younger consumers rely more on label descriptions and

other sources (Perrouy, D'Hauteville & Lockshin, 2006). A consumer can rely on a well-known brand to assess the product's quality, but if the brand is not well known, other available cues will be relied on (Perrouy et al., 2006). This may explain why the brand is more important to traditional wine consumers, as less experienced wine drinkers will not know as many wine brands and therefore not always be able to rely on the brand to make a purchase decision unless it is a brand they have heard of or experienced before. The fact that traditional consumers are said to be a declining segment again emphasizes how important it is to gain entry to consumers new to wine, in this case, Gen Y.

## Price

Many participants stated that consumers will consider the price of the wine, however, the consideration differed between participants. The cellar controller, wine communications manager and brand ambassador mentioned that consumers will choose a wine based on what they can afford, which may not be a very expensive wine, whereas the marketing director, sommelier and wine consultant mentioned that consumers will choose a wine based on how expensive it is. The latter were said to perceive a higher price as an indication of wine quality and social status. The wine consultant stated that '*older customers*' are '*buying down, whilst the new customers are buying up*' and the marketing director specifically stated that with Bouj-Wa (a young, status-seeking consumer segment that is new to wine), '*the more expensive, the better the brand*'. It was also mentioned by the brand ambassador and cellar controller that consumers would be willing to pay more for a red wine but may not be willing to pay the same amount for a white wine.

The emphasis of price as a factor in a consumer's choice is valid, as price has been found to be important in numerous studies (Lockshin & Corsi, 2012). Low price has also previously been seen to positively influence young wine consumers, whilst high prices are seen as an indication of quality – the higher the price, the better the quality (Silva et al., 2014), which may explain why the Bouj-Wa would view expensive wines as being better brands. Therefore, the willingness of young consumers to pay more for a wine may relate to the suggestion of Teagle, Mueller and Lockshin (2010) that wine plays an image building function for Gen Y in buying a quality product. In literature, there is also controversy in how willingness to spend on wine differs between generations. One Australian study found that Gen Y is willing to spend higher prices for wine than Gen X (Teagle et al., 2010), whilst another found that Gen Y spend less on wine per month in comparison to Gen X (Bruwer et al., 2011). The contrast in willingness to spend may show that this factor is not due to a generational effect but rather due to other factors or a combination of factors. For example, a price segmentation study by Thach and Olsen (2015) based on high-

frequency wine consumers found significant differences in terms of income, gender, wine involvement, age and a range of other key areas.

Although not age-related, a study focusing on urban South African consumers perceptions of wine also found that consumers were willing to spend more on a red than a white wine (Weightman, 2018), as they saw red wine to be superior of white wine. This is probably due to consumers lacking in objective knowledge of wine.

### **Cultivars a burden**

Another important observation made by many participants was that cultivars are considered a burden. Cultivars were said to be for '*the converted*', and not for consumers new to wine. Words that came up whilst discussing cultivars were '*barrier*', '*burden*', '*technical*', '*don't care*', '*confusing*', '*over their heads*', '*baggage*' and '*overcomplicated*'. It was also said by the brand ambassador that consumers would stick to certain cultivars: Sauvignon blanc and Merlot. This result is interesting, as numerous studies have found that, to a certain degree, grape variety is an important attribute for consumers (Lockshin & Corsi, 2012). A study on South African Gen Y consumers showed that grape variety was the sixth most important attribute (relative to 12 other attributes) when making a wine purchase decision (Lategan et al., 2017). It may be that consumers are referring to grape variety as ones they recognize, even if this is limited to only well-known varieties such as Merlot and Sauvignon blanc. Other varieties may confuse consumers, and they would therefore not purchase them.

### **4.3.3 The wine's sensory appeal is of importance**

Many participants expressed that consumers find the sensory appeal of a wine to be of importance when selecting a wine, as can be seen in Table 4.4. This included the flavor and style of the wine, and food and wine pairings.

**Table 4.4** Sensory appeal is of importance to consumers

Code	Description	Sample excerpts from interview
<b>Flavor</b>	For consumers it's all about flavor (taste) and many consumers want sweet wines	"most people, whoever they are, when they come to whatever the beverage is, they like it sweet" (Public relations) "The taste profile is very important because that is dry or sweet, wooded or unwooded, fresh or old, so the taste and the flavor are the two kings - those stand out" (Wine consultant)
<b>Wine style</b>	Consumers like a specific style of wine, which are mostly red and lighter bodied wines	"Wine is red. Wine is in a glass, and it's red. Anyone who doesn't know wine - that's how they see wine. Nowadays it's sweeter wines and more softer wines, tannin is hated, acidity is hated; so soft, smooth, everyday drinking red wines. That's the answer for the world, and in the hot country climates, the white wine - as long as it's fruity and flavorful, not sour, bitter, acidic or oxidative" (Wine consultant) "They don't want to drink wines that pull together the inner parts of the mouth; it's too dry for them. So, you introduce them to lighter styles of wine" (Cellar controller)
<b>Food and wine</b>	Consumers want to know which food to pair with a wine	"I know of people that order wine and have a sip or two and now think of what dish to have it with" (Sommelier)

## Flavor

The importance of flavor was emphasized by many participants. It was suggested that the wine's flavor is of more importance than cultivar, as *'it's not a barrier'*, and that its profile should be communicated on the label. Within the theme of flavor, many participants expressed that consumers prefer to drink sweet wines, with the public relations person saying that consumers like the sweet *'red blend category'* and the cellar controller mentioning consumer liking for the brand *'Four Cousins – the sweeter style'*. It was also said by the cellar controller that *'beginner drinkers'* like to *'enjoy sweeter or a palatable wine, and then as they become older and more introduced to wines, they'll move to drier or more complicated wines'*. It seems that for both cultivars and the flavor of wine, consumer preferences are said to be changing as they become older and/or more familiar with wine.

An Australian study by Bruwer et al. (2011) also found that there is a movement from sweet wines to dryer wines between generations, from Gen Y to older age cohorts, but this was most prominent amongst females. However, while the study found that young men drink dry wines, there was also a movement to even drier wines as they became older, supporting the notion that age is positively correlated with a movement towards a preference for drier wines. A study done in India also found that Gen Y have a preference for sweet over dry wines (Mehta & Bhanja, 2018). In SA, the year leading up to October 2015 saw a 7.7% volume increase in

domestic wine consumption. The increase was attributed to new entrants (driven by females in urban areas) into the sweet red and rosé sector. According to Distell's wine marketing director, an opportunity lies in the market for sweeter wine styles, a statement based on extensive market research (Holtzkampf, 2015). This supports the idea that South African consumers new to wine prefer sweeter red wines, although this may be gender specific.

## **Food and wine**

Some participants mentioned that food and wine are of importance. The communications manager said that the type of food consumers traditionally eat is of importance, as this will determine what their wine will be paired with. For example, Afrikaans people would be likely to drink wine with their braai, whereas your traditional African food is completely different. This is emphasized by a study done in India, an emerging wine market, where traditional meals consist of spicy foods. It was said that a preference by young consumers for sweeter wines could be associated with food and wine pairings where the taste of the wine counterbalances the effect of hot spices (Mehta & Bhanja, 2018). This is an important consideration, especially with the wine industry striving for wine to become a lifestyle beverage. Therefore, it is important to understand what the traditional, everyday foods of South Africans are to be able to make food pairing suggestions that consumers relate to, ultimately becoming a part of consumers' everyday lives. This may help consumers associate with wines more easily by making wine less intimidating, which has been said to be a problem for the majority of South Africans (Augustyn & Heyns, 2016).

The sommelier mentioned that, in a restaurant setup, consumers will consider their wine choice and then decide on the food to pair with it, or vice versa. The finding is in accordance with the literature. For instance, Schamberg (2002) stated that in a restaurant, food often dictates a consumer's choice of wine.

## **Wine style**

Multiple participants mentioned consumer preference for a certain wine style but would not necessarily ask about the style of the wine, which was said to be an interest of more experienced drinkers. It has previously been stated that young consumers will drink wine more for the pleasure aspect than for an appreciation of different styles and regions (Lockshin & Corsi, 2012), and young consumers have been said to have limited experience with wine (VinIntell, 2013), which supports this idea.

As explained by the wine consultant, Gen Y prefer lighter bodied, red, everyday drinking wines, which may also relate to Gen Y's limited knowledge of wine and merely wanting a wine that tastes good.

#### 4.3.4 Consumers want to connect to the wine personally and/or socially

Many participants mentioned that having a personal and/or social connection with the wine is of importance to consumers, as seen in Table 4.5. This included past experiences with the wine, a perception of status or image, and experiencing a personal connection or emotional feeling.

**Table 4.5** Consumers want to connect to the wine personally and/or socially

Code	Description	Sample excerpts from interview
<b>Past experience</b>	Consumers decide based on their previous experiences with the wine or brand	"they go to the same brands that they know; whether they've got their own experience with the brand, or they've got the name recognition in terms of the brand" (Brand ambassador) "most people that buy wines without the assistance of someone recommending, associate wines with their past experiences with what someone has told them, and with what they've experienced" (Sommelier)
<b>Status/image</b>	Consumers are conscious about what the wine says about them	"it's about "look what I'm drinking, it says something about me"" (Marketing director) "What does it make me feel like? How do I look or seem to my peers or whoever is important to me" (Public relations)
<b>Experience</b>	For consumers it isn't just about the wine itself, but also about experiencing a personal connection or emotional feeling toward the wine	"Wine is about connection - wine is not just a product, it's not just a label that you see someone saying Kleine Zalze from Stellenbosch and someone just buys it - no. People are buying the wine because of the connection, and the connection must be an original connection" (Sommelier)

#### Past experience

The fact that consumers choose a wine based on their past experiences was mentioned by some participants. This 'past experience' was related to the consumer having previously experienced a wine in general, a specific brand or a wine from a specific region. This need for previous experience with the wine has been said to relate to Gen Y's preference for subjective (experience-based) over objective knowledge when choosing a wine (Lategan et al., 2017).



## Status/image

Many participants made a statement that related to the consumer's status and/or image. It was mentioned that wine made consumers feel '*sophisticated*'. Multiple participants – the public relations person, sommelier, marketing director and cellar controller - said that consumers want to be seen with an expensive product because being seen with an expensive product makes them look good in front of their peers.

Consumers are attracted to wine because of the positive image it portrays, an idea that is supported by the fact that Gen Y consumers see wine as a distinguished drink for social events (Lategan et al., 2017). A qualitative study by Silva et al. (2014) also found that young adults see wine as a drink of sophistication with social significance. This again relates to the consumer's preference for a higher priced wine, as this correlates to quality and ultimately social status.

## Experience

Multiple participants related a consumer's choice to factors outside of the wine itself, mentioning that a consumer will purchase a product because of an experience, emotions or a connection with the brand. The experience of drinking wine was said to be of importance, including the emotions and connections a consumer feels, which was said by the public relations person to sometimes be of more importance than the taste of a product.

The importance of an emotional connection is also supported by a qualitative study on Gen Y consumers in New Zealand (Silva et al., 2014), which found that adult consumers base their attitude towards a wine on their beliefs rather than by what they perceive sensorially. A 19-year-old female's statement within the study puts this into context: "in that situation [academic parties] the wine is never the best quality, so the reason would not be the taste, for me at least, I think it is because of the effect that it provides" (Silva et al., 2014, p. 838). Here, we clearly see that the taste of the product is less important than the moment provided by the wine, supporting the findings in the current South African study.

### 4.3.5 Consumers want to make an informed decision

Many participants mentioned a consumer's want to know more about the wine, as seen in Table 4.6. This included wanting to know more about the wine's background, how they wanted to be communicated with, and whose opinion was of value.



**Table 4.6** Consumers want to make an informed decision

Code	Description	Sample excerpts from interview
<b>Role models</b>	Consumers value the opinion of others	"Often having your promoter there can help upsell, and say, "have you tasted this and so forth"." (Marketing director) ""Oh no, we're in your hands" - in terms of what is good here, what we recommend" (Brand ambassador)
<b>Wine's story</b>	Consumers want to know more about the wine and its 'story'	"The good thing is you see some of the wines in SA have stories behind them. There are a lot of producers that have a wine label that have a story to tell, and that story alone really adds to the experience. There's a lot, and I know of a lot of people that make sales; even though the wine is good, but what is driving the sales is the story and the experience. So sometimes you tell a story about a wine and then describe the wine in detail in terms of the flavor profile and all that, but what's catchy normally is the story" (Sommelier)
<b>Communication</b>	The gateway to consumers is through social media and simple language on the label	"communication on the label is absolutely vital - simple, key elements that interpret and communicate the flavor. A simple one; it's almost boringly simple, but it makes a big difference – dry or sweet or fruity or crisp. Wooded or unwooded" (Wine consultant)
<b>Simplicity</b>	Consumers simply want to be able to understand and enjoy a wine	"just keep it simple. Don't go into the "sniff it now and then spit it out and bleh". People want to enjoy it" (Marketing director) "Most of these beginner drinkers go find wine to learn with that, and are more intrigued or a little more diverse; these are the steps you take; introduce a wine that's not complicated - they don't want to be educated, they just want to enjoy the wine and enjoy sweeter or a palatable wine, and then as they become older and more introduced to wines, they'll move to dryer or more complicated wines" (Cellar controller)

### Role models

Multiple participants said that consumers value the opinion of others, mentioning a want for the winemaker to be present, or the opinion of a wine expert to be of importance. The marketing director mentioned that a promoter plays a role in upselling the wine by giving recommendations. The wine consultant said that consumers look for someone or something they can look up to or '*hang onto*'.

'Someone recommended it' was seen as the second most important attribute in making a wine purchase decision by South African Gen Y consumers (Lategan et al., 2017), supporting the

importance of this factor. The finding also supports that Gen Y rely on risk-reduction strategies in selecting a wine (refer to Chapter 2, Section 2.3.3)

### **Wine's story**

It was mentioned by multiple participants that '*the biggest thing with wine is the story*'. This was related to the wine's intrinsic factors, label, and telling the wine's story in general. Important to note was the marketing director's comment that the Bouj-Wa were said to want to know how a wine is made so that they could tell their friends, which could also relate to improve or prove their status or image. The telling of a wine's story was also said by the cellar controller, sommelier and brand ambassador to add to the whole wine experience and introduce emotion. This could also relate to the 'moment' created by wine as previously discussed.

An article titled 'Why wine stories matter' by Pudel (2017) puts emphasis on the fact that the story of a wine distinguishes one wine over another. Consumers are more likely to associate with a brand that tells an authentic story, as it evokes emotion. Therefore, the unique background of each wine brand perfectly positions the product for increased public engagement through expression of these stories (Pudel, 2017). This again puts into context the importance of avoiding the spread of a generic wine message to consumers, as well as demonstrates an existing means to further link consumers to wine through personal engagement and association.

### **Communication**

It was said that the way to communicate with consumers is through online sources and apps. Many participants mentioned the importance of social media, including Instagram, YouTube, Twitter and Facebook. Gen Y were said by the wine consultant to be moving away from '*traditional methods of communicating with consumers*', such as through newspapers and television.

The importance of social media and online sources has become a popular topic, with emphasis on Gen Y consumers (e.g. VinIntell, 2013). Therefore, to be able to move forward, wine will need to move to the consumer by appearing on channels that are important to them, especially if wine strives to become a part of consumers' everyday lives. It is thus important to know which platforms are being used by consumers on a day-to-day basis so that wine can be marketed through these avenues.

## Simplicity

Relating to communication was a need for simplicity, which was mentioned by multiple participants. It was said by the wine consultant that consumers see wine as ‘*red or white*’, ‘*dry or sweet or fruity or crisp*’, ‘*wooded or unwooded*’ and that it should be kept simple. It was said by the cellar controller that ultimately, consumers just wanted to be able to enjoy the wine. This again could be due to Gen Y’s lack of objective knowledge of wine.

### 4.3.6 Consumers will look out for something they haven’t seen before

It was mentioned by some participants that consumers are interested in anything that is new, different and/or exciting, as seen in Table 4.7.

**Table 4.7** Consumers look out for something they haven't seen before

Code	Description	Sample excerpt
<b>New/ different/ exciting</b>	Consumers would like something 'new', 'exciting', adventurous or something that is different to the norm.	"consumers are becoming more experiential, and they want to try new things" (Marketing director) "with Millennials they're looking at other things - excitement, innovation, contemporary, something where they can see it's different or has character, or it reflects something of their personality, or something they can connect to" (Wine consultant)

Consumers were said by the wine consultant to be becoming more ‘*experiential*’ and that ‘*everything must have an entertainment factor*’. The wine consultant and marketing director both related this to specifically be of importance to consumers shopping at boutique or wine shops, but also to Gen Y in general, who were said to want something that is different and has character.

Gen Y have previously been said to be more experiential, and that industry should focus on them for new types of wines and product advertising as they are open to new experiences (VinIntell, 2013), which supports this observation.

### 4.3.7 Consumers will consider the consumption and/or purchase situation

Many participants mentioned that the situation in or for which a consumer is purchasing a wine will affect which wine they select, as seen in Table 4.8.

**Table 4.8** Consumers will consider the consumption and/or purchase situation

Code	Description	Sample excerpts from interview
<b>Occasion</b>	The occasion the wine is being purchased for will affect which wine the consumer chooses	"people like different things for different occasions. On a really hot summer day you may have a Sauvignon blanc or a rosé, for instance" (Brand ambassador) "An occasion is important in that it is a very specific choice when you buy a wine; what are you buying it for? For tonight for friends? On my own? A birthday or celebration or gift? So, the occasion is important because that's the deciding factor of why you're buying it - so there are multiple occasions, whether it's a girl's night out or a gift, or just a pasta at home; you've got a completely different choice to make, so the occasion is all-important, followed by price. It depends on the market, but with millennials, occasion would be more important than the price" (Wine consultant)
<b>Place of purchase</b>	Where a consumer purchases wine will affect what they look out for during a wine selection	"your smaller boutique wines play a part because consumers are a lot more experimental in that environment than if they're going into the off-trade" (Marketing director) "in the shops; if you buy wines, you want to drink it now, whereas if you buy a wine on a wine farm you are more educated on wine, you would buy wine for your cellar and for now. But most of the time, people buy wines to drink now" (Cellar controller)

## Occasion

The occasion was brought up by many participants – and its effect was seen to be of importance. Different ways in which the occasion will affect the consumer's choice or the wine itself were mentioned. It was mentioned by the brand ambassador that wine may be drunk on a special occasion or purchased for an occasion such as dinner at a friend's house, but it may not be the person's usual alcoholic beverage of choice. The brand ambassador also mentioned that the wine will differ for different occasions, for example '*on a really hot summer day you may have a Sauvignon blanc or a rosé*'. As told by the wine consultant, a change has been seen to be occurring from wine for certain occasions to '*wine of all occasions*'. Another observation made was that for Gen Y the occasion is more important than the price of the wine, which is the opposite to traditional wine drinkers for whom price was said to be more important. The importance of the occasion and its influence on purchase behavior is highlighted by Hall, O'Mahony and Lockshin (2001). Hall et al. (2001) found that the occasion has an influence on the level of perceived risk associated with purchasing a wine. Therefore, consumers' willingness to pay for a wine will be dependent on the occasion it is purchased for.

## Place of purchase

The place of purchase was also said to affect a wine choice, which was mentioned by multiple participants. Where a consumer purchases a wine will affect what a consumer looks out for whilst making a wine purchase decision and what is available to consumers will differ between on- and off-trade environments. For example, in a restaurant setup wine awards will not be available to consumers in making their choice, whereas in a retail setting they are of importance. It was also said that consumers who purchase wine at a boutique shop are more experimental than consumers purchasing wine in the off-trade environment. A consumer will also buy wine for a different occasion depending on where they purchase the wine. In retail, consumers were said by the cellar controller to purchase a wine to drink now, whereas at wine shops they would be more likely to buy wine for their cellar. The type of consumer also differs depending on the place of purchase, with more experienced drinkers buying wine at wine shops. However, it was mentioned by the wine consultant that more than 65% of consumers purchase wine in supermarkets, and that this figure is increasing.

In a study done in Australia, it was seen that although generational differences did not exist for wine purchases at mainstream outlets such as supermarkets, Gen Y buy significantly more wine in restaurants and pubs than older consumers (Bruwer et al., 2011). This could relate to the importance of wine in a social context for young consumers. Due to the differences in attributes available to consumers in different purchasing situations as previously discussed, it is important to know where wine is mostly being purchased, and if this differs in a South African context.

## 4.4 Conclusion

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The aim of this qualitative research was to explore and better understand the South African wine consumer market from an industry point of view. Semi-structured interviews were conducted to identify emerging themes relating to the wine behavior of South African consumers. The rigor of the study was enhanced through qualitative validation strategies, namely member checking and investigator triangulation. Consumers that were identified to show potential for growth in local wine consumption were Generation Y consumers.

Six themes were identified, namely *what is on or around the wine bottle is of importance, the wine's sensory appeal is of importance, consumers want to connect to the wine personally and/or socially, consumers want to make an informed decision, consumers will look out for something they haven't seen before, and consumers will consider the consumption and/or*

*purchase situation*. The wine attributes identified to be of importance to consumers were in accordance with the literature (as discussed in Chapter 2) and thus seen as reliable attributes to be incorporated into a survey to be tested on consumers.

In Chapter 5, a survey was designed and used to gain insight into the wine consumer behavior of Gen Y and an older age cohort, Gen X. The insight will assist marketers in adapting marketing strategies based on the study implications. By comparing results between generations, it will also be possible to see if a marketing plan unique to Gen Y is necessary.

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## **Chapter Five**

Investigating South African wine consumer  
behavior: A comparison between  
Generation X and Y

## Chapter 5: Investigating South African wine consumer behavior: A comparison between Generation X and Y

### Abstract

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There are limited published studies that (i) gain insight into South African Generation Y's wine consumer behavior, (ii) compare Generation Y to another generational group in a South African wine context and (iii) make use of a survey designed by the incorporation of findings from rigorous qualitative methods. Therefore, this study had the aim of building qualitative findings into a quantitative survey to investigate the wine behavior of Generation X and Y consumers using Best-Worst Scaling. The four most important attributes (among a total of 13 attributes) in making a wine selection were the same for both generations, namely pleasant taste, followed by experienced it before, trust the brand and price.

**Keywords:** Best-Worst Scaling, Generation Y, Generation X, wine consumer behavior

### 5.1 Introduction

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A product designer's main purpose is to make a product with features that are attractive to consumers (Little, Aqueveque & Aguilera, 2015). Therefore, similar to the making of a great wine, where considerations begin in the vineyard, so do deliberations for wine marketing (Hall & Mitchell, 2008). A challenge faced by wine marketers is the continual process of market growth and development (Festa, Cuomo, Metallo & Festa, 2016), and thus a necessity to adapt to consumers with different needs and wants.

Based on the need to adapt, it comes as no surprise that the young wine consumer, namely Generation (Gen) Y, has been said to be of significant importance to the wine industry (Chrysochou, Krystallis, Mocanu & Lewis, 2012). The importance of understanding Gen Y have amongst a range of factors been attributed to their significant purchasing power, immense size, a growing interest in wine and their future influence in the wine market (VinIntell, 2013). Especially in a South African context, Gen Y offer an industry striving for increased domestic wine consumption the greatest potential for growth, with 50% of Gen Y in SA said to be becoming core wine drinkers (Bruwer, Saliba & Miller, 2011; VinIntell, 2013; Sawis, 2016).

Although numerous studies worldwide have focused on Gen Y in the field of wine (e.g. Chrysochou et al., 2012; Qenani-Petrela, Wolf & Zuckerman, 2007; Teagle, Mueller & Lockshin, 2010; Fountain & Lamb, 2011), limited knowledge exists on the South African Gen Y consumer

pertaining to their wine selection and consumption behavior. As advised by Fountain and Lamb (2011), one cannot assume similar behavior between Gen Y and their counterparts within different countries. This is possibly due to the existence of cultural and political differences between countries, which most certainly shape a person's values and behavior. A study conducted on the behavior of wine consumers across countries confirms that differences exist between Gen Y counterparts and that market-specific strategies are needed (Mueller, Remaud & Chabin, 2011). Thus, while useful as a source of guidance and distinction, the Gen Y results from international wine studies cannot compensate for the scarcity of scientific research within a South African context.

Fortunately, a study by Lategan, Pentz and du Preez (2017) has recently gained insight into the wine selection and consumption behavior of South African Gen Y consumers. Lategan et al. recognized several Gen Y-specific marketing implications. However, the usefulness of benchmarking the behavior of Gen Y against other generational cohorts, as suggested by Fountain and Lamb (2011), pinpoints a lacking aspect of Lategan et al. (2017), namely a sole focus on Gen Y which does not validate the need for a unique marketing approach. Furthermore, no other South African study could be identified that differentiates between Gen Y and another generation, although numerous such studies investigating wine purchase and consumption behavior exist in other countries (e.g. Wolf, Carpenter & Qenani-Petrela, 2005; Teagle et al., 2010; Fountain & Lamb, 2011; Barber, Dodd & Ghiselli, 2008).

It was also found that previous studies prevalently made use of literature in identifying attributes to be studied during Best-Worst Scaling (BWS) (see Chapter 3). This study had the overall aim of investigating the wine behavior of Gen X and Y consumers, using a survey designed through an integration step. The attributes used within BWS were identified through rigorous qualitative research (Chapter 4), which corresponded with those found in the literature (Chapter 2). It was anticipated that the results from the survey would aid in a more complete understanding of Gen Y's wine behavior.

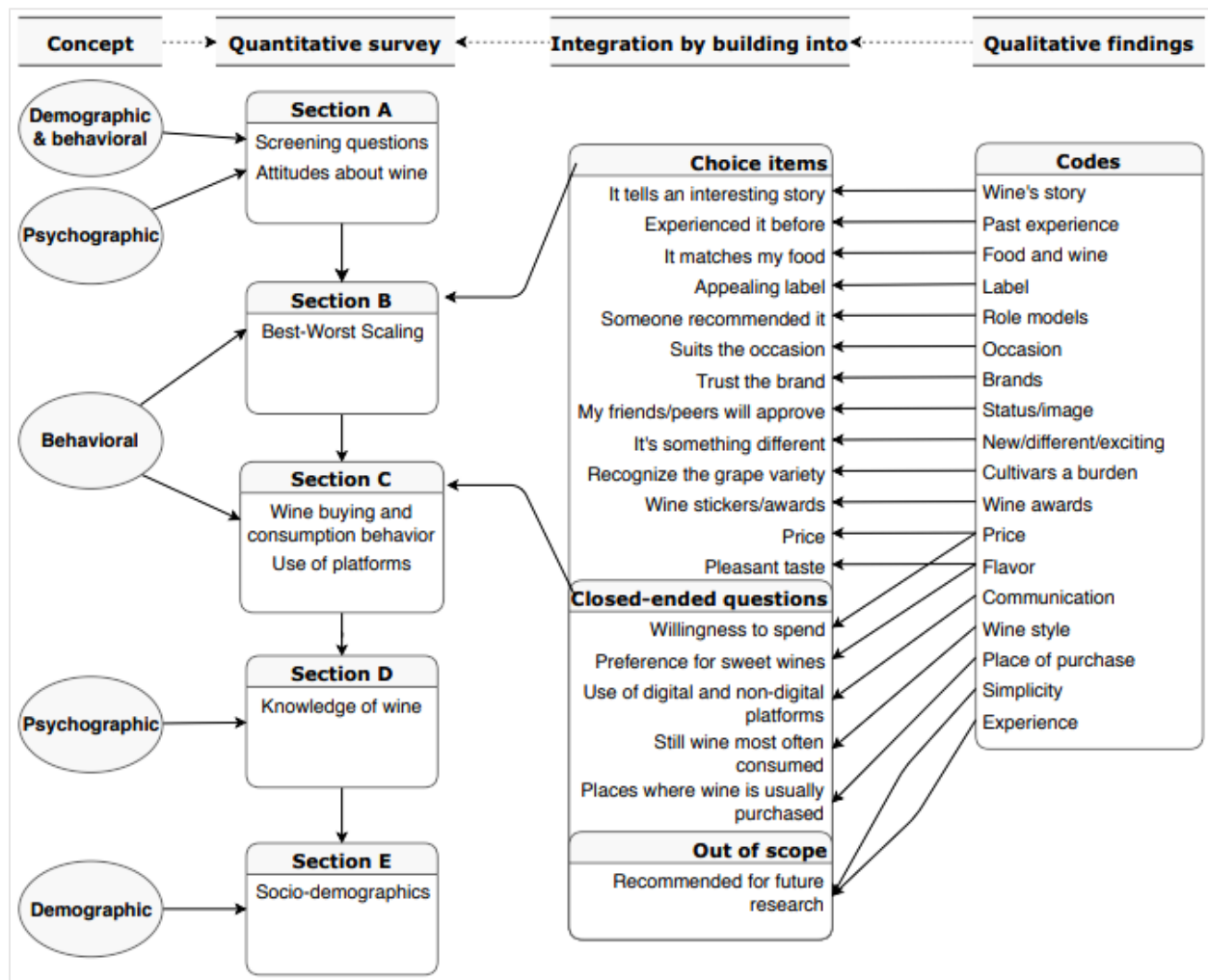
## **5.2 Materials and methods**

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An online survey (Addendum B) was designed to investigate the wine behavior of Gen X and Y consumers. The survey was tested on respondents who are South African citizens, of legal drinking age, and at the least rarely purchase and consume wine.

### 5.2.1 Survey design

As shown in Fig. 5.1, the survey consisted of five sections (A-E) and was designed through an integration step in which the findings (codes) from the interviews within research Chapter 4 were built into a survey instrument. The quantitative phase relied on the results of the qualitative phase, therefore the data was anticipated to connect the two phases (Creswell, 2013). The layout of the survey was based on a previous study on wine behavior (Janse van Vuuren 2018).



**Figure 5.1** Survey design showing the integration step of qualitative findings into choice items and closed-ended questions, and concepts addressed by the survey

#### Integration by building into

Of the 18 identified codes, 13 were selected as choice items for BWS (Fig. 5.1). The decision on what codes to incorporate was deliberately made through various discussions with

other researchers, taking into consideration attributes that had previously been identified in the literature (Chapter 2). The relative importance of the chosen attributes (Fig. 5.1) could thus be determined. The choice items were grouped using a Balanced Incomplete Block Design (see Chapter 3).

Five of the qualitative codes, namely price, flavor, communication, wine style and place of purchase, were built into closed-ended questions to further probe each of the codes. For instance, the importance of price was emphasized within interviews. However, it was said that consumers are willing to pay more for a red than a white wine. Therefore, the closed-ended question asked respondents to indicate their willingness to spend on the three wine categories, namely red, white and rosé. It was thus anticipated that the findings of the closed-ended questions would improve on the limited generalisability of the qualitative finding.

A deliberate choice was made not to incorporate the codes *simplicity* and *experience* into the survey. The choice was made because the essence of each code could not be captured within a few words to be incorporated into BWS. Both codes were also seen as too complex to be further probed within closed-ended questions. Therefore, both are recommended for future research (Fig. 5.1).

## Concepts investigated

Demographics, psychographics as well as behavioral concepts were probed within the survey (Fig. 5.1). Demographics commonly include information about gender, age, ethnic background and income (Lamb, Hair, McDaniel, Boshoff & Terblanche, 2015). Psychographics involve consumers' attitudes, interests and opinions (AIO) (Ahmad, 2003), whilst behavioral concepts relate to a consumer's use of a product (Kotler & Keller, 2016). Behavioral concepts are a useful starting point in understanding the consumption patterns and thus the financial feasibility of targeting a segment (Hall & Winchester, 2000; Thomas & Pickering, 2003). Demographics are valuable in accessing and judging the size and attractiveness of a group, whilst psychographics are beneficial for predicting buying and consumption behavior (Ahmad, 2003). Thus, questions probing the abovementioned concepts would assist in a more holistic view of Gen Y's wine behavior.

### 5.2.2 Pilot study

The survey was uploaded onto *SUNsurveys* Checkbox® 6 Version 2018 Q2, a web-based e-survey made available to academic staff and postgraduate students of Stellenbosch University. An online pilot study was conducted to check the content validity of the survey by inviting 15

individuals, including non-wine drinkers, wine drinkers and other researchers within the Departments of Business Management and Wine Biotechnology to fill out the test survey and report back on anything that was found to be confusing or unclear. Five participants mentioned that the section utilising BWS was confusing. Therefore, a preview of a BWS question was added to the survey with an explanation that the question would be repeated several times, but that each question provided a different set of options to choose from. All other questions were said to be understandable and no problems were encountered when running statistical analyses on the BWS results. The survey was thus finalized.

### **5.2.3 Ethical considerations**

As required by the Humanities Research Ethics Committee (REC: Humanities) of Stellenbosch University, an electronic consent form was obtained from participants prior to the survey, and anonymity was ensured. It was also ensured that participants under the age of 18 (legal drinking age in SA) were not allowed to complete the survey.

### **5.2.4 Participant recruitment**

Participants were recruited using non-probability convenience sampling which is a non-systematic approach that allows participants to self-opt into the sample (Schonlau, Fricker & Elliott, 2002). The survey was distributed online using Facebook. Facebook was seen to be a suitable online source as its users are electronically connected (Schonlau et al., 2002), making it possible to reach respondents from different geographic areas in SA.

### **5.2.5 Data collection**

A link to the survey was posted on Facebook in May 2018. It remained online for three weeks until a total number of 656 completed surveys was realized. However, counting only respondents aged 22 to 58 to encompass only respondents falling in the generations X and Y, 588 responses were ultimately analyzed. The sample size was deemed to be appropriate for the objectives of and statistical analyses used within this study. The size was also comparable to those used in other studies looking at consumer wine purchase behavior through BWS (Cohen, 2009; Lategan et al., 2017) and also to those specifically comparing generational groups (Wolf et al., 2005; Chrysochou et al., 2012).

Important to note is that although convenience sampling has advantages such as improved geographic reach and time and cost efficiency, it is possible that like-minded respondents filled out the survey, which may have led to bias.

### 5.2.6 Data analysis

The collected data was analyzed using Statsoft STATISTICA 13® and IBM® SPSS® Version 25.

**Nominal (categorical) data**, such as gender, were analyzed using Pearson's Chi-Square test (Field, 2009) to test for associations of concepts between generational groups. Correspondence Analysis (CA) (Allen, 2017) and Multiple Correspondence Analysis (MCA) plots were used to visually display the identified associations as graphs.

**Ordinal (continuous) data**, such as household income, were analyzed using one-way ANOVA (Ostertagová & Ostertag, 2013) to test for significance ( $p < 0.05$ ) of concepts between generational groups. In the case of unequal variances, a weighted means analysis was run. Welch's t-test, a non-parametric, unequal variances t-test (Lu & Yuan, 2010) was then used to test for significance ( $p < 0.05$ ).

For **BWS**, aggregated Best-Worst scores (BW-s) were calculated (see Chapter 3). The BW-s were analyzed using mixed model repeated measures ANOVA (Detry, 2016) to ascertain if there were any significant differences ( $p < 0.05$ ). Fisher's Least Significant Differences (LSD) test (Williams & Abdi, 2010) at a 95% confidence level was used for post-hoc testing.

When running mixed models, the fixed and random effects need to be specified to obtain accurate analyses (Detry, 2016). The effects were defined as follows:

- The random effect: respondent ID nested in age (Age [respondent ID])
- The fixed effects: attribute, age and attribute\*age combination

Cohen's d test (Salkind, 2010) was used to determine the effect size, which shows the magnitude of an effect between two groups. The effect size is important in that a large sample size can result in significant differences being produced even for trivial or small effects (Coe, 2002). Therefore, Cohen's d is used as a complementary test to statistical difference tests such as ANOVA (Salkind, 2010). A small effect size shows that a difference will only be seen with careful study, whereas a large effect shows that differences will be seen with the naked eye. Therefore, the test will provide results on the practical implication of differences (Coe, 2002).

## 5.3 Results and discussion

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This quantitative phase aimed to evaluate the relative importance of 13 attributes guiding South African Gen Y consumers in their wine selection as well as investigate possible generational differences. To reach these aims, BWS was applied to a list of 13 attributes identified during a qualitative exploration of the South African wine market (Fig 5.1). Furthermore, generational differences concerning wine purchase behavior and use of platforms as guided by the qualitative phase were also explored. The following sections will relay and discuss the findings in line with previous research within a South African as well as international context.

The sections are organized as follows: first, characteristics of the entire sample are relayed, followed by those of the two generational groups as separate entities. Secondly, results relating to wine purchase and consumption behavior (including platforms used on a day-to-day basis) are conferred. Finally, the relative importance of attributes guiding a wine selection is reported and discussed. Although results for both Gen X and Y are provided within tables and figures, as per the objectives, Gen Y is the focal point during the discussion and generational differences are highlighted.

### 5.3.1 Sample and generational characteristics

In total, 558 consumer responses were realized. Table 5.1 presents a summary of the socio-demographic factors of the whole sample and the two generational groups within the sample. The summary gives an overview of the profile of each generation and how they differed regarding their socio-demographics, which may help to at a later stage explain differences in their wine consumer behavior.

Referring to the whole sample, 75.3% were female and 24.7% male. However, both generational groups consisted of more females than males, therefore making the two groups comparable concerning gender spread. Most respondents were white (82.3%) and indicated that they reside in urban areas (87.1%) and regarding their provincial residence, either in the Western Cape (43.9%) or Gauteng Province (42.3%). Although growth has occurred throughout rural provinces, the Western Cape and Gauteng remain the largest wine markets in SA (Sawis & Bureau for Economic Research, 2017). Therefore, the dominant and approximately equal spread of respondents across the two provinces is valuable, especially since previous wine-based studies in SA have sampled mainly from the Western Cape (Vannevel, 2016; Lategan et al., 2017; Janse van Vuuren, 2018).



**Table 5.1** Socio-demographics of entire sample population and generational groups

Concept	Whole sample		Generation Y		Generation X	
	(n = 558)	%	(n = 363)	%	(n = 195)	%
Gender			$X^2(1) = 0.21, p = 0.65$			
Male	138	24.7	92	25.3	46	23.6
Female	420	75.3	271	74.7	149	76.4
Geographic area			$X^2(2) = 4.40, p = 0.11$			
Rural	66	11.8	36	9.9	30	15.4
Urban	486	87.1	322	88.7	164	84.1
Other	6	1.1	5	1.4	1	0.5
Employment situation			$X^2(3) = 66.10, p = 0.01$			
Employed	433	77.6	257	70.8	176	90.3
Unemployed	30	5.4	13	3.6	17	8.7
Student	93	16.7	93	25.6	0	0
Retired	2	0.4	0	0	2	1.0
Household income (Before tax)			$F(1, 488) = 101.06, p = 0.01$			
Under R5000	50	9.0	48	13.2	2	1.0
R5001-R15000	82	14.7	74	20.4	8	4.1
R15001-R25000	100	17.9	74	20.4	26	13.3
R25001-R35000	65	11.6	41	11.3	24	12.3
R35001-R45000	47	8.4	27	7.4	20	10.3
R45001-R55000	35	6.3	17	4.7	18	9.2
Above R55000	111	19.9	44	12.1	67	34.4
Missing values	68	12.2	38	10.5	30	15.4
Mean ± SD	R30990 ± 20159.5		R25046 ± 18792.6		R42697 ± 17497.8	
Ethnicity			$X^2(4) = 21.65, p = 0.01$			
Indian	14	2.5	12	3.3	2	1.0
White	459	82.3	279	76.9	180	92.3
Black	57	10.2	50	13.8	7	3.6
Colored	27	4.8	21	5.8	6	3.1
Other	1	0.2	1	0.3	0	0
Province			$X^2(8) = 3.77, p = 0.88$			
Gauteng	236	42.3	155	42.7	81	41.5
North West	14	2.5	11	3.0	3	1.5
Western Cape	245	43.9	155	42.7	90	46.2
Eastern Cape	8	1.4	5	1.4	3	1.5
Northern Cape	2	0.4	1	0.3	1	0.5
Limpopo	2	0.4	2	0.6	0	0
Mpumalanga	13	2.3	10	2.8	3	1.5
KwaZulu-Natal	26	4.7	16	4.4	10	5.1
Free State	12	2.2	8	2.2	4	2.1

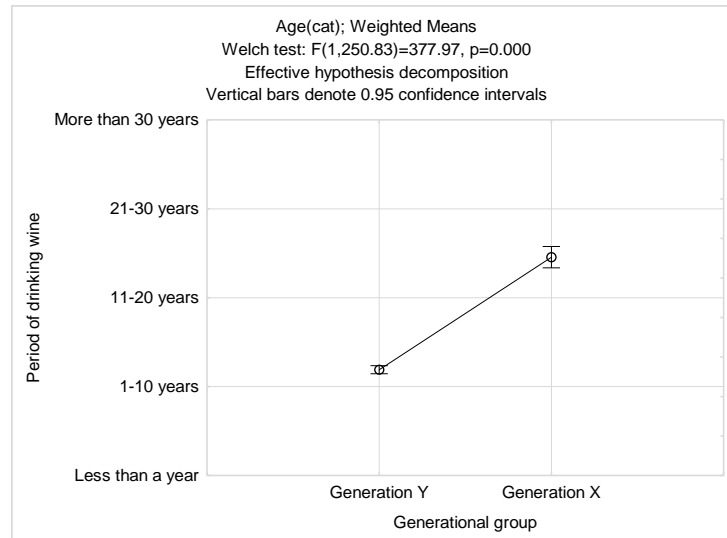
Generational groups were significantly associated for gender, geographic area, employment situation, ethnicity and/or province, and significantly different for household income if  $p < 0.05$  (95% confidence level)

When viewing the respondents based on generational groups, 195 were in the Gen X and 363 in the Gen Y sample. Participants that were aged 22 up to 37 were defined as Gen Y and had a mean age of 28, whilst participants that were aged 38 up to 53 were defined as Gen X and had a mean age of 46. Significant differences between the two generational groups could be seen for employment situation, household income and ethnicity. Although most of Gen Y indicated being employed (70.8%) and 25.6% being students, Gen X consisted of more employed (90.3%) participants and no students, which was expected due to the latter cohorts' age. Gen X also had a significantly higher household income with an average of R42 697, whilst Gen Y had an average household income of R25 046. The difference was again expected since income has previously been correlated to an older age (Atkin & Thach, 2012). Furthermore, with a higher percentage of employed participants in the Gen X group, a larger household income was expected. The ethnic spread differed between the two generations, however a recent cross-cultural study in SA found that across different ethnic groups, perceptions about wine follow a similar trend (Bonthuys, 2018). Therefore, differences identified between the two generations were not expected to be as a result of a difference in ethnic spread.

### **5.3.2 Wine buying and consumption behavior**

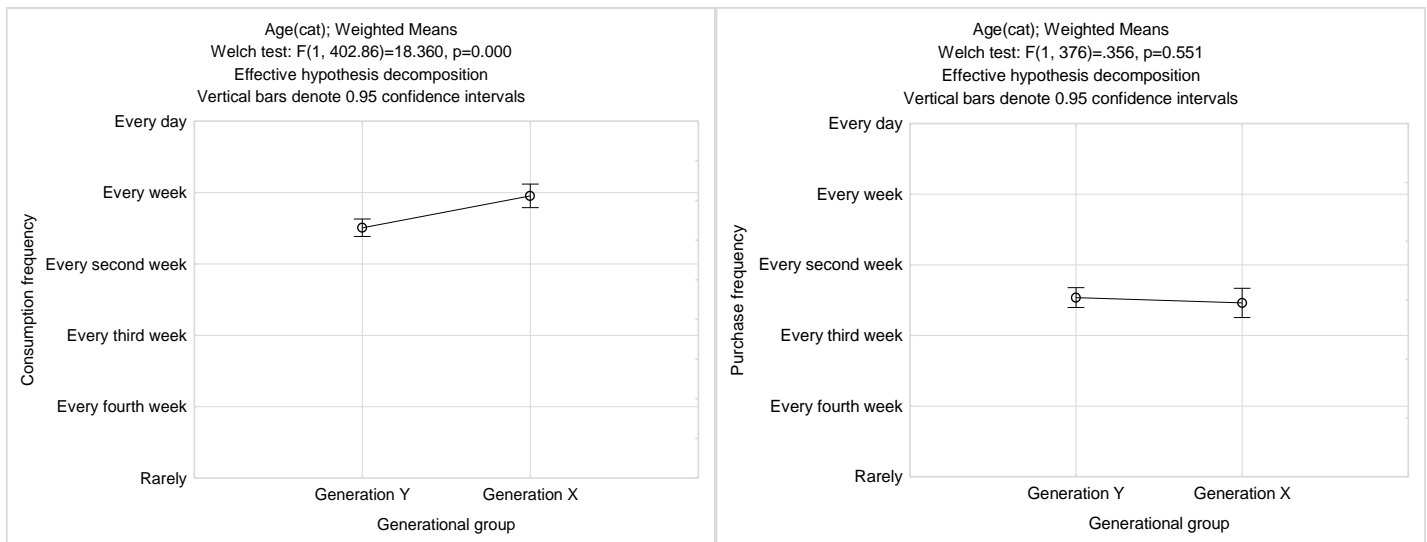
Within the following sections, results pertaining to wine purchase and consumption behavior will be discussed. How long the respondents have been drinking wine and how frequently they purchase and consume wines will also be discussed. The cohorts' knowledge and attitudes of wine will follow. Results on willingness to spend on three styles of wine (red, white and rosé), what wine styles the respondents usually drink and how sweet they prefer their wine will also be discussed. Thereafter, where generational groups usually purchase wine, and which platforms they use on a day to day basis, will also be specified.

As can be seen in Fig. 5.2, Gen Y respondents have been drinking wine for a shorter period than Gen X ( $p < 0.05$ ), which is to be expected due to the South African legal drinking age of 18, and the mean age of Gen Y (28) being only 10 years older than the legal drinking age.



**Figure 5.2** Period of wine drinking between generational groups at 95% confidence level ( $p < 0.05$ )

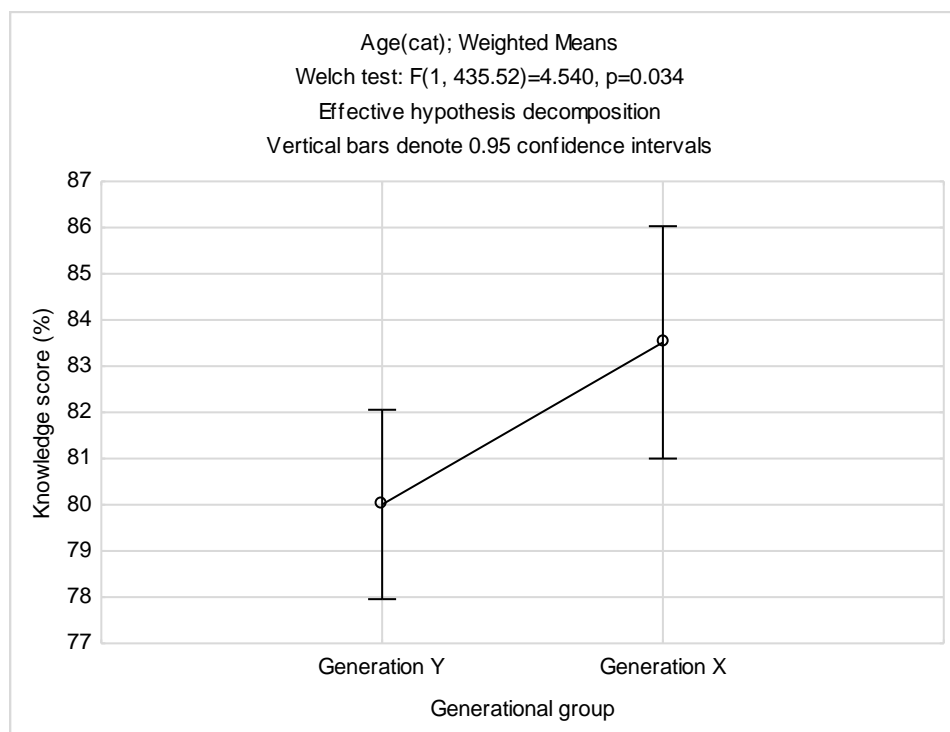
As shown in Fig. 5.3, both Gen X and Y indicated that they consume wine at the least every second week and purchase wine at least every third week. However, Gen Y indicated a consumption frequency significantly lower than Gen X ( $p < 0.05$ ). The finding is in accordance with previous generation-based research on Australian and American wine consumers showing that although Gen X and Y did not differ significantly in how frequently they purchased wine, Gen Y consumed wine less frequently (Teagle et al., 2010; Chrysochou et al., 2012). Although wine is becoming a lifestyle beverage, wine is not the primary alcoholic beverage of choice for Gen Y consumers (Mueller et al., 2011; Wolf, Higgins, Wolf & Qenani-Petrela, 2018). Thus, Gen Y may be choosing other alcoholic drinks, such as beer and ciders, over wine, possibly attributing to a less frequent consumption of wine.



**Figure 5.3** Consumption (left) and purchase frequency (right) of wine between generational groups at 95% confidence level ( $p < 0.05$ )

### Knowledge of wine

The respondent's knowledge of wine was tested by asking factual questions about wine to be answered as true or false. Referring to Fig. 5.4, Gen Y had a mean knowledge score of 80%, which was significantly ( $p < 0.05$ ) lower than that of Gen X (83.5%). It was therefore deduced that the level of objective knowledge, which refers to actual product knowledge, of Gen Y is lower than that of the older generation. The difference suggests an age-related journey of learning regarding wine in accordance with previous research (Chrysochou et al., 2012), where Gen X are said to be advanced in their wine product knowledge in comparison to Gen Y. However, in contrast to previous findings in which Gen Y are said to have a low product knowledge or to be an 'inexperienced wine consumer' (Fountain & Lamb, 2011), the counterparts within this study were found to be knowledgeable. Although merely an exploration of actual product knowledge, the finding supports the notion that Gen Y consumers in SA are increasingly becoming involved with wine and perhaps through their experiences learning more about the actual product. Another possibility is that Gen Y's connectedness with the Internet (VinIntell, 2013) has allowed them to learn more about wine even without experiencing wine first-hand, especially since Gen Y find being well-informed to be of importance (see Chapter 4).

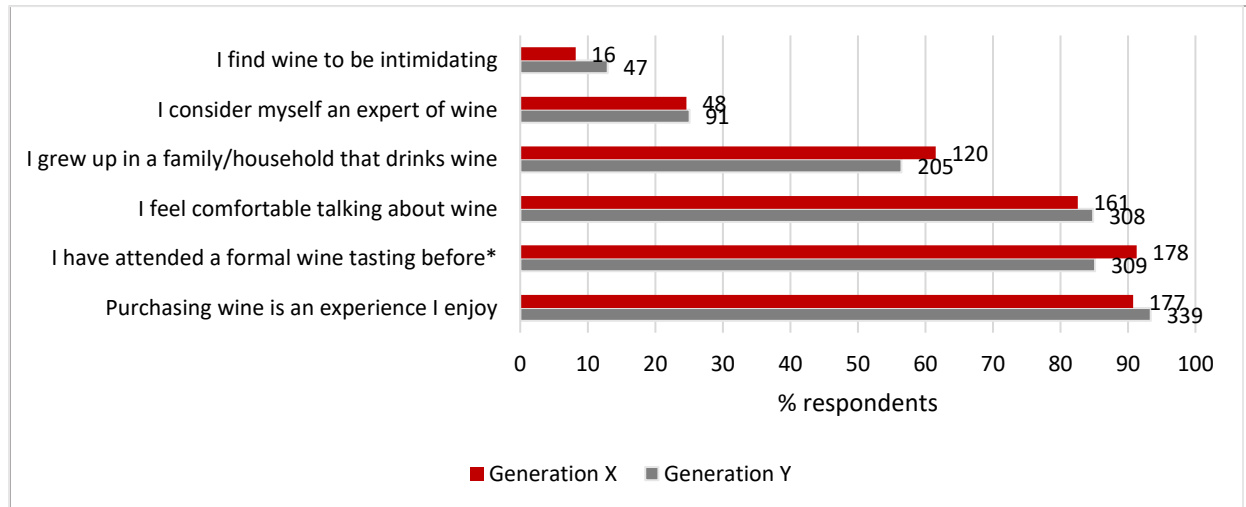


**Figure 5.4** Knowledge score between generational groups at 95% confidence level ( $p<0.05$ )

Fig. 5.5 shows the general attitudes of Gen X and Y towards wine. The respondents were presented with a list of statements from wine theory and asked to agree or disagree with statements. For clarity of presentation, the respondents agreeing with each statement were reported. The Gen Y sample considered the purchasing of wine to be an enjoyable experience (93.4%) and indicated that they feel comfortable talking about wine (84.8%). However, although 85.1% of Gen Y indicated that they had attended a formal wine tasting before and 56.5% that they grew up in a family/household that drinks wine, only 25.1% considered themselves experts of wine. Nevertheless, only 12.9% of the Gen Y sample indicated that they find wine to be intimidating. The attitudes of the Gen X sample were in line with their Gen Y counterparts, however, significantly more Gen X (91.3%) had previously attended a formal wine tasting.

The fact that less Gen Y consumers have experienced a formal wine tasting before, which is an educational event, may be a contributing factor towards a lower objective knowledge of wine in comparison to Gen X. However, with more than 50% of the participants growing up in a household that drinks wine, and more than 80% having attended a tasting before, it follows naturally that they would feel comfortable talking about wine and enjoy the experience of making a wine purchase. As stated by VinIntell (2013), the strong influence of family and friends results in a higher likelihood of Gen Y becoming a wine drinker if the former are wine drinkers themselves.

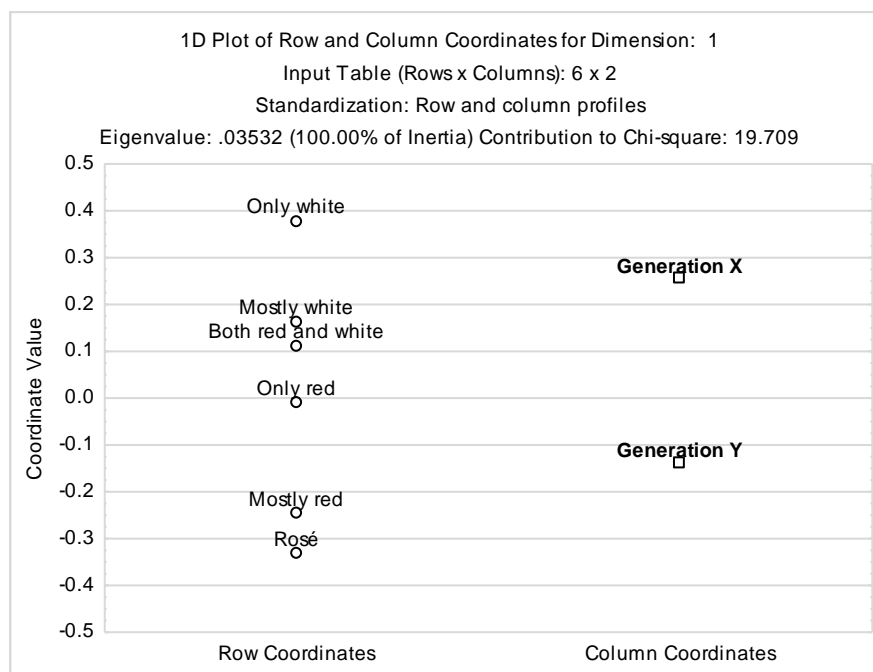
The influence of family on Gen Y is confirmed by a study on young Portuguese wine consumers, in which participants stated that they had learnt to drink wine through the example set by their family and friends (Silva, Figueiredo, Hogg & Sottomayor, 2014).



**Figure 5.5** Generational groups' general attitudes towards wine. The total number of observations for each generation are indicated at the end of each bar. Asterisks (\*) indicate a significant association between generational groups at 95% confidence level ( $p < 0.05$ ) for statements

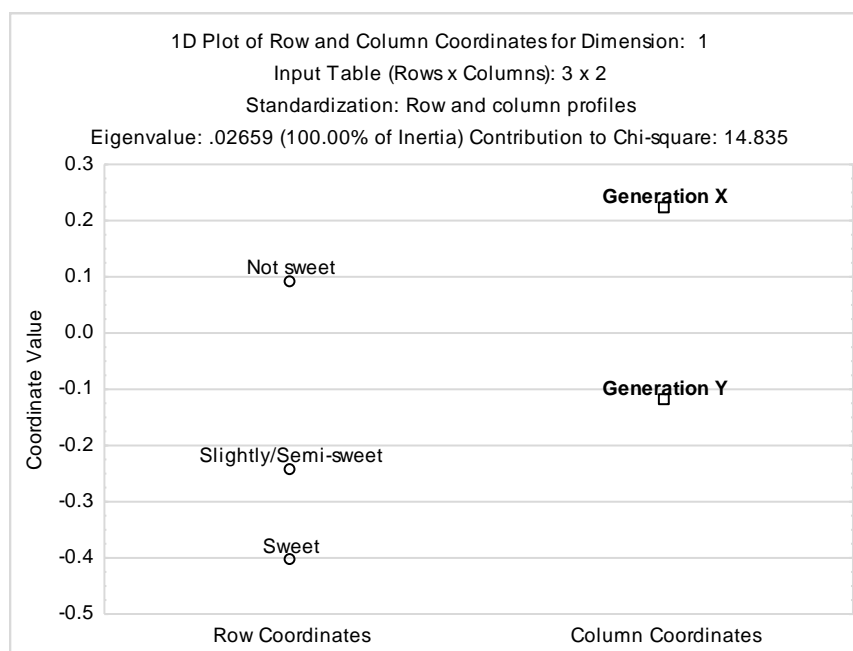
## Wine style preferences

The following Correspondence Analysis (CA) plots summarize the associations between generational groups for wine style (Fig. 5.6) and sweetness (Fig. 5.7). Both CA plots irrespectively accounted for 100% of inertia within one dimension, thus representative of the results. Gen Y were more associated with 'only red', 'mostly red' and 'rosé', in comparison to Gen X, whom were more associated with 'both red and white', 'only white' and 'mostly white' (Fig. 5.6). It thus seems that Gen Y have an increased preference for red and rosé wines over white wines. The finding is in contrast with Australian Gen Y consumers, who were found to drink mostly white wines (Teagle et al., 2010), however, were in line with a study on American Gen Y wine consumers whom were found to prefer red over white wines (Thach & Olsen, 2006).



**Figure 5.6** Correspondence analysis for preference for sweetness between generational groups

Referring to preference for sweetness, 70.8% of Gen Y and 85.1% of Gen X indicated a preference for wines that are not sweet. However, Gen Y were more associated with a preference for 'sweet' and 'slightly/semi-sweet' wines than Gen X.



**Figure 5.7** Correspondence analysis for wine style preference between generational groups

The above findings (Fig. 5.6 and Fig. 5.7), together with the consideration that 74.7% and 88.7% of the Gen Y sample were female and lived in urban areas, respectively, supports the

ascription of the 7.7% increase in domestic South African wine consumption in 2015 to urbanized young female consumers entering the sweet red and rosé sector (Holtzkampf, 2015).

### Wine buying trends and habits

Knowing how much a person is willing to pay for a wine, and where they usually purchase wine can assist marketers to position wines at the right prices as well as guide them in effectively reaching their target consumers (Qenani-Petrela et al., 2007).

It was found that the Gen Y respondents were willing to spend an average of R101 on red wine, R85 on white wine and R61 on rosé wine, with a similar willingness to spend on all three wine styles by Gen X (Table 5.2). It seemed that willingness to spend differed depending on the wine style, with both groups willing to pay the most for a red wine, less for a white wine, and the least for a rosé wine (Table 5.2). The trend is in accordance with previous research on South African wine consumers (Janse van Vuuren, 2018), who also found that consumers were willing to pay the most for red, then white and lastly rosé wine. South African wine consumers have been found to perceive red wine as superior to white wine (Weightman, 2018) and Gen Y to use price as an indicator of wine quality (Teagle et al., 2010). Therefore, the perception of superiority and undoubtedly quality may be the cause of the consumers' increased willingness to pay for red wine.

No significant differences were found for willingness to pay between generational groups. The similar behavior is in contrast to literature wherein it has been found that US Gen Y will pay less for a wine in comparison to Gen X (Atkin & Thach, 2012). Considering the lower average household income of the Gen Y versus X sample, it was speculated that Gen Y may increase their expenditure on wine when coming into more money.

**Table 5.2** Generational groups' willingness to spend on different wine styles

Concept	Generation Y		Generation X	
	(n = 363)	%	(n = 195)	%
Willingness to spend: Red wine	F(1, 556) = 0.03559, p = 0.85			
Less than R50	11	3.0	9	4.6
R50-R100	173	47.7	100	51.3
R101-R150	138	38.0	61	31.3
More than R150	35	9.6	24	12.3
Do not purchase	6	1.7	1	0.5
Mean ± SD	R101 ± 37.6		R100 ± 39.1	
Willingness to spend: White wine	F(1, 556) = 1.8623, p = 0.17			
Less than R50	33	9.1	22	11.3
R50-R100	220	60.6	117	60.0
R101-R150	83	22.9	42	21.5
More than R150	19	5.2	7	3.6

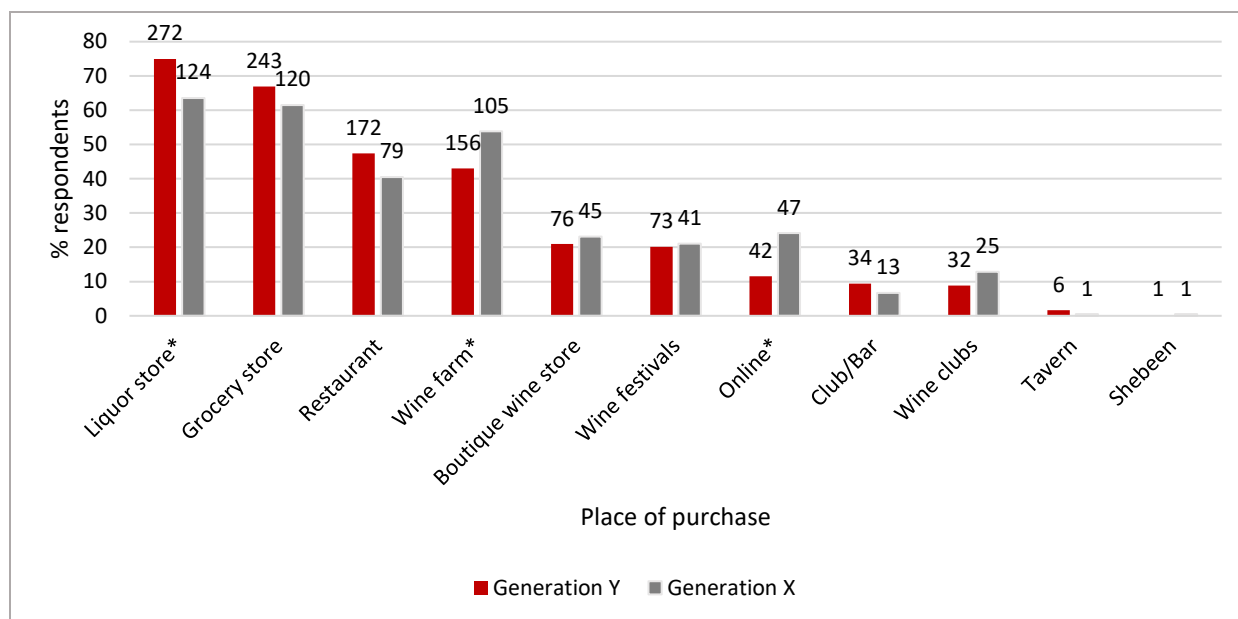


Do not purchase	8	2.2	7	3.6
Mean ± SD	R85 ± 36.6		R81 ± 36.8	
Willingness to spend: Rosé wine	F(1, 556) = 0.39552, p = 0.53			
Less than R50	52	14.3	35	17.9
R50-R100	204	56.2	105	53.8
R101-R150	32	8.8	19	9.7
More than R150	9	2.5	2	1.0
Do not purchase	66	18.2	34	17.4
Mean ± SD	R61 ± 40.8		R59 ± 39.0	

Generational groups differed significantly for willingness to spend: red and/or white and/or rosé wine if  $p < 0.05$  (95% confidence level)

Referring to Fig. 5.8, the Gen Y respondents most often purchase wine from liquor stores (75%) and grocery stores (67%). Although the Gen X sample also purchase most of their wine at liquor stores (64%) and grocery stores (62%), the group purchase wine at liquor stores significantly less than Gen Y. The finding is in accordance with Qenani-Petrela et al. (2007), who found liquor stores to be the prevalent place at which Gen X and Y purchase wine. Although Bruwer et al. (2011) found that Australian Gen Y and older generations purchased the highest volume of wine from large national chain liquor stores, no significant differences were found to exist between the generations. Gen Y's increased preference for liquor stores may be related to their disposition for convenience (VinIntell, 2013). It is expected that the time used to purchase a wine is decreased in liquor stores because the stores primarily sell alcoholic beverages.

Of the Gen Y respondents, 47% usually purchase wine in restaurants, which brings in the element of food. Restaurants and wine have been said to be growing in popularity amongst Gen Y (VinIntell, 2013), therefore, it seems valuable to further educate consumers on what wine to pair with food.



**Figure 5.8** Places where generational groups purchase wine. The total number of observations for each generation are indicated at the end of each bar. Asterisks (\*) indicate statistical associations between generations at 95% confidence level ( $p < 0.05$ ) for place of purchase

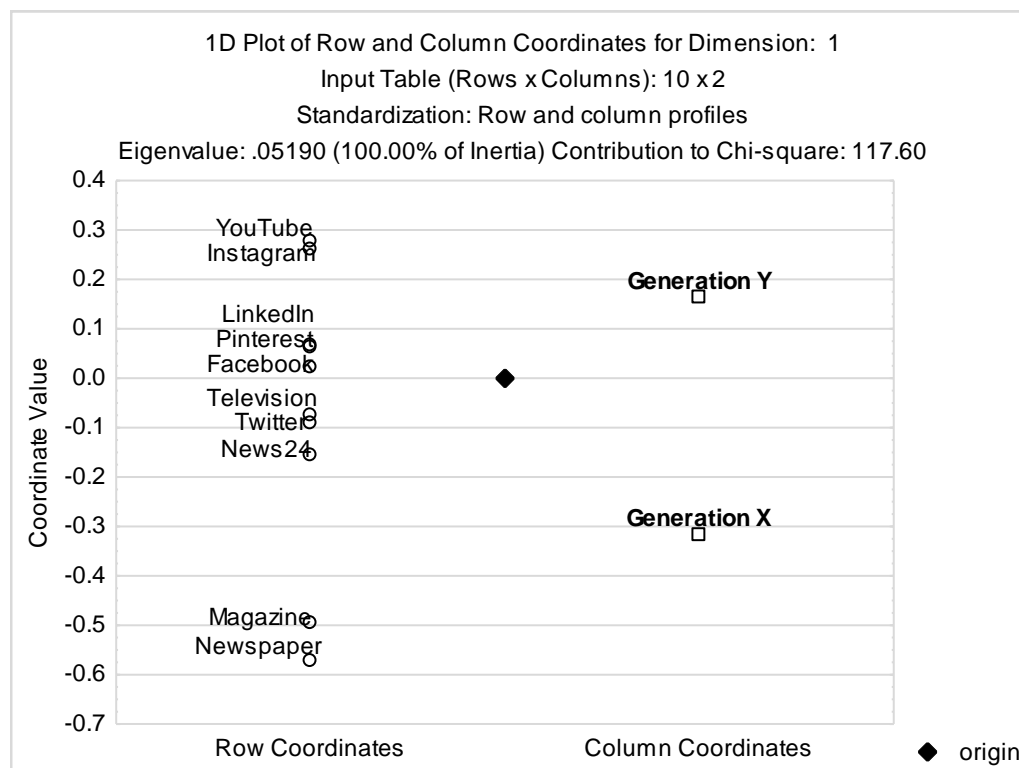
The Gen Y sample purchase less wine from wineries (43%) and online (12%) than Gen X (Fig. 5.8). The difference is surprising, as Gen Y are said to be a tech-savvy generation who gain insights from and make purchases through online sources (VinIntell, 2013). However, according to Higgins et al. (2015) Gen Y consumers are unlikely to make online wine purchases. The online experience was said to lack the emotional factor linked with wine, thus not attracting the “experience driven” Gen Y. Gen Y were also said to be convenience driven, therefore, a barrier is created wherein online purchases lead to an unwanted waiting period (Higgins, Wolf, Bitter & Amspacher, 2015). A finding by Bruwer and Wood (2005) also showed that consumers recently having visited online wine retail sites were primarily motivated by price comparison and information seeking, and much less so for purchasing wine. These findings support a supposition that although online sources are an important gateway for communication, they are not necessarily the gateway to wine sales. Therefore, for the point being, it may be of more importance to the wine industry to spread information and increase awareness about wine and brands on online sources, rather than focusing on selling wine through this avenue.

### Use of platforms

More than 80% of both generational groups indicated a daily use of Facebook, specifically 89% of the Gen Y and 83% of the Gen X sample. According to a Multiple Correspondence

Analysis plot (Fig. 5.9), which accounted for 100% inertia, a stronger association of Gen Y for the use of Facebook, YouTube, Instagram, LinkedIn and Pinterest in comparison to Gen X exists. On the other hand, the Gen X were more associated with the use of Twitter, newspapers, television, magazines and News24 in comparison to Gen Y (Fig. 5.9).

What stands out is the differentiation between magazines and newspapers, and Instagram and YouTube. The seeming differentiation suggests that there is a movement away from traditional to digital methods of communication from Gen X to Y, which is in accordance with previous generation-based research on Californian wine consumers (Wolf et al., 2018). Therefore, to create brand awareness about wine, it seems that the avenue through which Gen Y should be communicated with is social media. As mentioned by VinIntell (2013), it is vital that the wine industry make use of social media sources. Gen Y were said to be profoundly influenced by information they find online, will listen to the opinions of their peers and can instantly share their views with others (VinIntell, 2013).



**Figure 5.9** Multiple correspondence analysis between generational groups and platforms used daily

### 5.3.3 Relative importance of attributes guiding a wine selection

The following section will relay the relative importance of attributes guiding Gen X and Y in making a wine selection, after that showing a graphical comparison to illustrate where significant differences between the generations occurred.

The BW-S for each generational group which are presented in Table 5.3 could only range from 4 to -4, with positive values indicating attributes that were chosen as most important more frequently than those with negative values, which indicate attributes most often chosen as least important.

Referring to Table 5.3, the most important attribute for Gen Y was 'pleasant taste' with a mean BW-S of 2.33 and the least important attribute was 'my friends/peers will approve' with a mean BW-S of -1.85. Similarly, the least important attribute for Gen X was 'my friends/peers will approve' with a mean BW-S of -2.27. 'Pleasant taste' and 'experienced it before' were the most important attributes guiding Gen X, with a mean BW-S of 2.11 and 1.79, respectively.

**Table 5.3** Individual Best-Worst Scores (BW-S) per generational group

No.	Attribute	Generation Y		Generation X	
		Mean of individual BW-S	SD of individual BW-S	Mean of individual BW-S	SD of individual BW-S
1	Pleasant taste	2.33 <sup>a</sup>	1.44	2.11 <sup>a</sup>	1.56
2	Experienced it before	1.66 <sup>b</sup>	1.70	1.79 <sup>a</sup>	1.62
3	Trust the brand	1.27 <sup>c</sup>	1.61	1.27 <sup>b</sup>	1.53
4	Price	0.69 <sup>d</sup>	1.89	0.67 <sup>c</sup>	2.02
5	Someone recommended it	0.24 <sup>e</sup>	1.61	0.14 <sup>de</sup>	1.60
6	Suits the occasion	0.10 <sup>e</sup>	1.76	0.42 <sup>cd</sup>	1.93
7	Recognize the grape variety	-0.45 <sup>f</sup>	2.14	-0.20 <sup>ef</sup>	1.98
8	Wine stickers/awards	-0.47 <sup>f</sup>	2.04	-0.27 <sup>f</sup>	2.06
9	It's something different	-0.53 <sup>f</sup>	1.74	-0.30 <sup>f</sup>	1.79
10	Appealing label	-0.57 <sup>f</sup>	1.82	-1.04 <sup>g</sup>	1.83
11	Matches my food	-0.97 <sup>g</sup>	1.79	-1.11 <sup>g</sup>	1.73
12	It tells an interesting story	-1.44 <sup>h</sup>	1.86	-1.19 <sup>g</sup>	1.90
13	My friends/peers will approve	-1.85 <sup>i</sup>	1.73	-2.27 <sup>h</sup>	1.53

<sup>abc</sup>Superscripts show significant differences in the relative importance of attributes guiding a wine purchase decision at 95% confidence ( $p < 0.05$ ) **within** generational groups

## Generation Y and wine selection

Referring to the Gen Y sample, the four attributes with the highest BW-S were:

1. Pleasant taste (2.33)
2. Experienced it before (1.66)
3. Trust the brand (1.27)
4. Price (0.69)

The importance of 'pleasant taste' indicates Gen Y's need to have experienced the wine before, as wine usually cannot be tasted prior to purchase. This finding is in line with previous research, in both a South African (Lategan et al., 2017) as well as international (Chrysochou et al., 2012) context, where taste also had the highest BW-S. The second highest scoring attribute within itself accentuates the need for prior knowledge about the wine: 'experienced it before', whilst the third highest scoring attribute, 'trust the brand' also entails a previous experience with the brand, as trust is generally earned through successive positive experiences. Thus, all three attributes enunciate the value of past experiences, showing a preference of Gen Y for subjective knowledge in choosing a wine, which is in accordance with previous research (Chrysochou et al., 2012; Lategan et al., 2017).

Different to a past experience, the fourth best scoring attribute shows that Gen Y will take into consideration the price of the wine, which has been said to be a surrogate in evaluating the quality of a wine, or otherwise as a budgetary constraint – especially considering that Gen Y have a lower household income than Gen X.

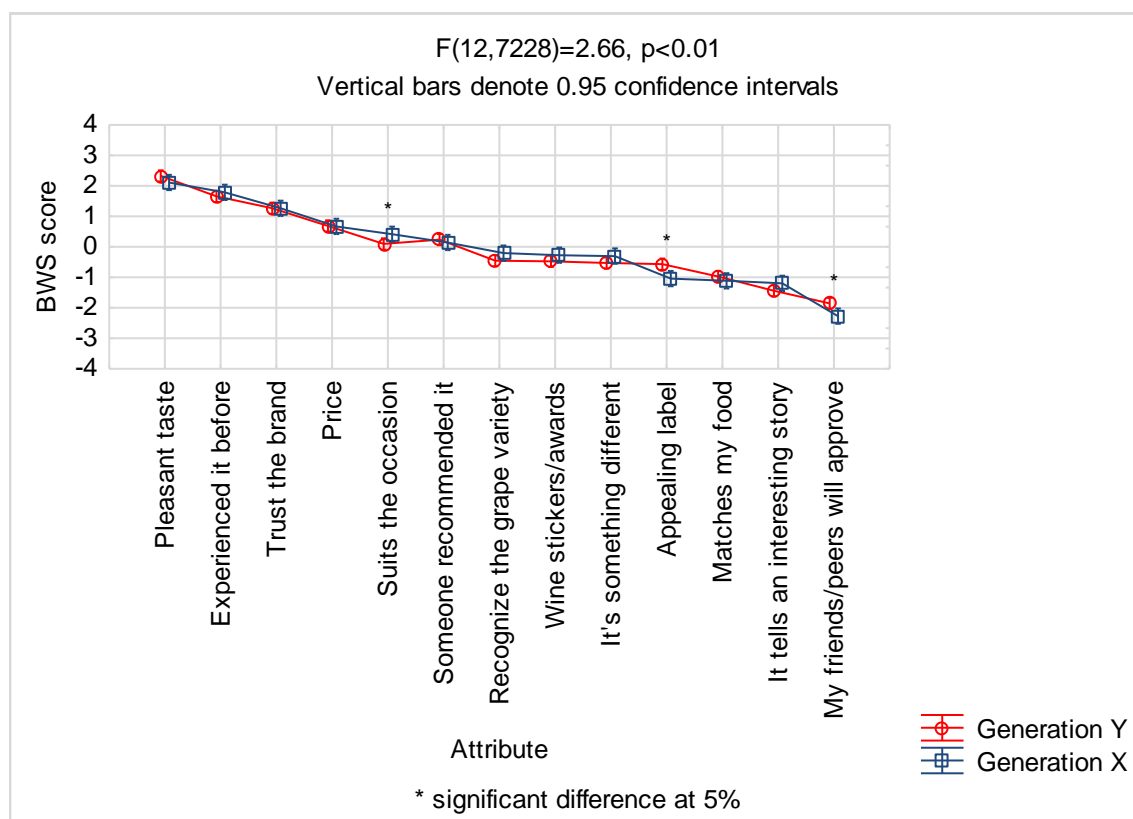
The four highest scoring attributes were all indicative of risk reduction strategies (Atkin & Thach, 2012). When referring to the attitudes of the Gen Y (Fig. 5.5), although found to be knowledgeable about wine, few considered themselves to be experts of wine. This contrast in perception of knowledge and actual knowledge suggests that Gen Y are not confident in selecting a wine. Therefore, it was deduced that by gaining confidence through previous experiences and using price as an indication of quality, Gen Y are able to reduce the risk of possibly selecting the wrong wine.

Furthermore, anecdotal research on SA's young consumers indicate that Gen Y are highly conscious of their external image and social recognition, with more than half of the study sample indicating that their individuality is expressed through the purchases they make (Thompson, 2018). Therefore, it was surmised that a correct decision is of extreme importance to Gen Y. Unlike with beer or ciders, wine is a beverage shared amongst friends or peers and as

summarized by Silva et al. (2014) to be “socially inclusive”, thus, making sure that the taste of the wine is pleasant becomes of utmost importance. The importance of knowing what the taste preferences of consumers are is thus emphasized. It follows that wines with the correct sensory profile to match the consumer’s preferences can be produced.

### Generation Y versus X wine selection

After post hoc testing by conducting Fischer’s LSD test, Fig. 5.10 was constructed to illustrate where differences occurred between generational groups regarding the importance of attributes.



**Figure 5.10** Best-Worst Scores for attributes guiding a wine selection for generational groups. Asterisks (\*) indicate significant differences between groups for the relative importance given to an attribute at 95% confidence level ( $p < 0.05$ ) with error bars showing standard deviation

The only attributes that differed significantly between the two generations were: ‘suits the occasion’, ‘appealing label’ and ‘my friends/peers will approve’ (Fig. 5.10). Whilst ‘suits the occasion’ was more important for Gen X, ‘appealing label’ and ‘my friends/peers will approve’ was more important to Gen Y. The fact that Gen Y are more status-driven than Gen X, as inferred by their higher score for ‘my friends/peers will approve’, is in accordance with previous research

conducted on Gen Y across various countries (Mueller et al., 2011). Chrysochou et al. (2012) also found that Gen Y scored 'an attractive front label' as more important than Gen X. The finding was expected since the use of labels as quality indicator are a known risk-reduction strategy (Atkin & Thach, 2012).

The higher score of 'suits the occasion' for Gen X may be because Gen Y have been seen to be drinking wine less for special occasions and more in everyday contexts than Gen X (Thach & Olsen, 2006), thus the thought comes up that Gen Y less frequently have a specific occasion to consider when purchasing wine. However, the level of importance for all three attributes was not hugely different between groups, which is emphasized by a small effect size as calculated by Cohen's *d*. The small effect size suggests that generations make a limited contribution in explaining the observed individual differences.

The order of importance for all attributes except 'suits the occasion' and 'someone recommended it', which were reversed in 5<sup>th</sup> and 6<sup>th</sup> position, was the same for both Gen X and Y. Furthermore, the Gen X and Y samples did not differ significantly in terms of the four most important attributes guiding a wine selection. Therefore, it seemed that a differentiated marketing strategy for the two generations is unnecessary. However, considering other factors such as taste and style preferences, and the importance of taste for both cohorts, it may be necessary for marketers to have a differentiated approach in terms of the taste profiles of wines marketed to each generation.

## 5.4 Conclusion

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The aim of this chapter was to investigate the wine selection and consumption behavior of Gen Y wine consumers by utilizing a survey in which qualitative results from interviews with industry role-players were incorporated as BWS items and closed-ended questions. The results from the survey specifically gained insight into the sample's socio-demographics, wine consumption and purchase behavior and habits, daily use of platforms as well as the relative importance of 13 attributes guiding a wine selection. The results for both Gen X and Y were reported and elaborated on with specific focus on Gen Y and where generational differences were presented. The four most important attributes (among a total of 13 attributes) in making a wine selection were the same for both generations, namely *pleasant taste*, followed by *experienced it before*, *trust the brand* and *price*.

Chapter 6 will elaborate on the marketing implications provided by both the qualitative and quantitative findings of the study, as well as make recommendations for future research. By

combining the results of Chapters 4 and 5, a more concise conclusion can be made by drawing on the strengths provided by each phase.

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# **Chapter Six**

## **General discussion and conclusions**

## Chapter 6: General discussion and conclusion

### 6.1 Introduction

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Marketers attempt to measure and predict the preferences and importance of a product's attributes to better align to consumer demands and expectations (Cohen, 2009). Goodman, Lockshin and Cohen (2008) asserted that wine offers numerous attributes, such as grape variety and brand, with each attribute characteristically offering an amount of variation higher than found in other fast-moving consumer goods. For example, the number of wine brands available exceeds that of other product categories (Goodman et al., 2008). Considering the high variation and the complexity of consumer behavior, it becomes clear that better understanding a consumer's wine behavior is a challenging task.

Best-Worst Scaling (BWS) offers a useful methodological approach in that it overcomes the limitations of rating-based scales, such as a lack of discrimination amongst attributes. Therefore, its use could be seen as superior to the rating-based scales mentioned by Lockshin & Corsi (2012) to be the method most typically used for the study of wine behavior. However, previous studies have prevalently made use of literature in identifying attributes to be used during BWS or vaguely mentioned findings from interviews without providing any further details.

This study therefore made use of an exploratory sequential mixed methods design with the aim of better understanding South African Gen Y's wine consumer behavior. The study also attempted to justify if a marketing approach unique to Gen Y is necessary by comparing them to their preceding generation, Gen X. In Chapter 4, semi-structured interviews were conducted with wine industry role-players in an exploration of the South African wine market. Factors influencing the wine selection behavior of Gen Y consumers were identified as themes and codes using thematic text analysis. The identified codes were used to design the online survey used in Chapter 5, which utilized BWS and closed-ended questions to probe the wine behavior of both Gen X and Y wine consumers. The following section interprets and explains the results of both the qualitative and quantitative phase side-by-side so that better informed marketing implications can be specified. The results mainly focus on the Gen Y sample, highlighting how they differed from Gen X when applicable.

## 6.2 Important attributes and their significance for wine selection

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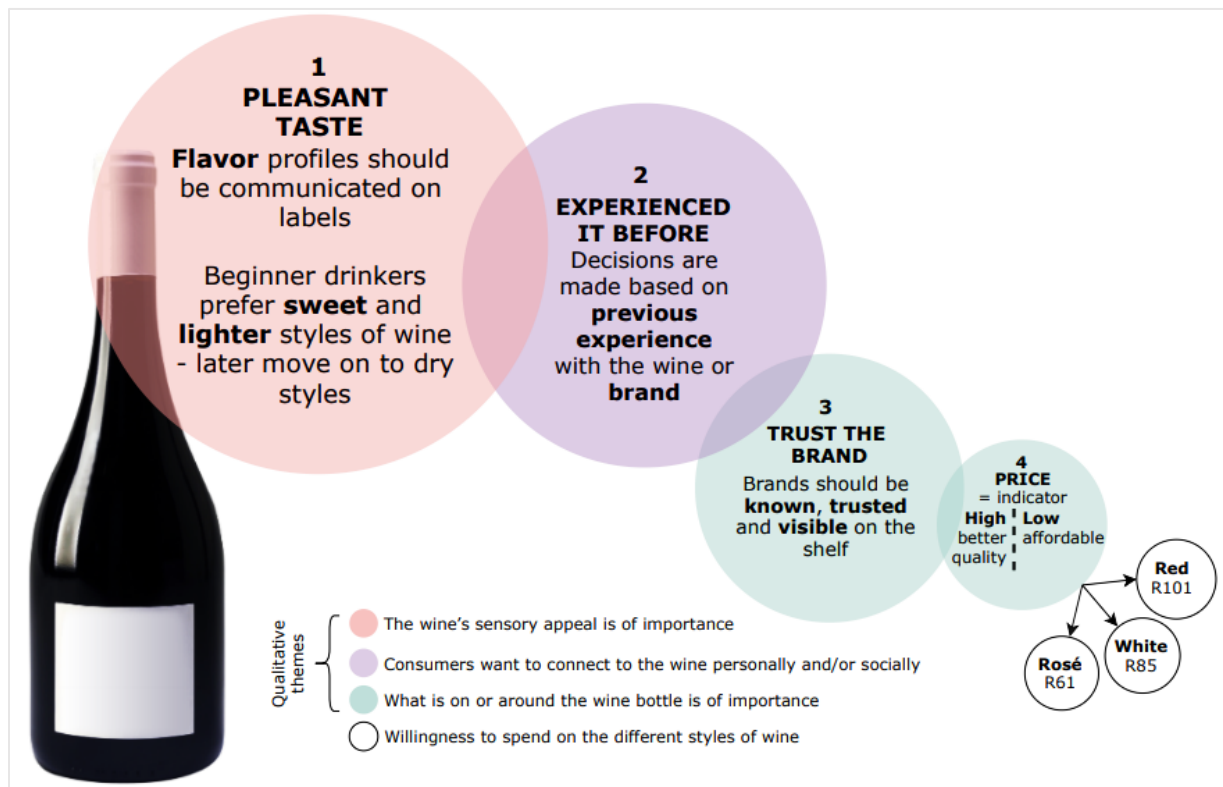
The four attributes identified during BWS to be most important for the Gen Y sample in making a wine selection were as follows (in order of relative importance): *pleasant taste*; *experienced it before*; *trust the brand*; and *price*. Fig. 6.1 is a summary of these results, showing which qualitative theme each attribute originated from and the key findings within each. For price, the average price the Gen Y sample was willing to pay for each style of wine is also shown. The following section will elaborate on these four factors.

As indicated by the pink circle in Fig. 6.1, the most important attribute for the sample of Gen Y consumers was that the wine should have a *pleasant taste*, which was an item within BWS originating from the qualitative theme *the wine's sensory appeal is of importance*. However, a limiting factor of wine is that the taste of the wine can only be gauged once the wine has been purchased. Within the interviews, it was found that flavor is all-important and, therefore, it should be communicated on the label. The flavor of the wine was even said to be more important than the cultivar of the wine, with cultivars merely confusing consumers. With the taste being unknown, unless the consumer has tasted the wine previously, it is unsurprising that flavor communication is important. However, in order to communicate a flavor that is attractive to consumers, marketers will need to know which sensory profiles should be targeted towards Gen Y. According to most of the industry role-players interviewed, young consumers prefer wines that are sweet, only later moving onto dry wines once they have become more experienced in drinking wine. Within the quantitative phase it was also found that the Gen Y respondents were more positively associated with semi-sweet and sweet as well as red wines than their Gen X counterparts. Therefore, it is assumed that sweet (especially red) wines, labelled as such, should be attractive to Gen Y. However, Gen Y's sensory preferences could be validated with preference tests to compare consumer liking for sweet versus dry wines and red versus white wines by letting consumers taste the wines blind.

The second most important attribute for the Gen Y study sample, as indicated by the purple circle in Fig. 6.1, was *experienced it before* which originated from the theme *consumers want to connect to the wine personally and/or socially*. Within the interviews, it was made clear that consumers will specifically choose wine from a specific brand or region they had experienced before. By having experienced a wine, it follows that the taste of the wine will also be known. Within the interviews it was also found that consumers will choose wines based on the opinions of others and that in-store tastings help upsell the wine. Considering the importance of both a pleasant taste and wanting to have experienced the wine, it may be of value to marketers to focus

on exposing as many consumers as possible to their wines through in-store tastings. This is especially valuable as not all consumers are able to go to a wine farm for the tasting experience; another finding from the interviews.

As indicated by the blue circles in Fig. 6.1, the third and fourth most important attributes originated from the qualitative theme *what is on or around the bottle is of importance* and were *trust the brand* and *price*, respectively. Having previously experienced the brand and positive remembrance are thus vital. Within interviews it was made clear that the brands that are chosen are those that are visible on the shelf, have been experienced before and are at the right price. It was also found within the interviews that a higher price leads to a perception of quality and thus a better brand. Through the interviews, it was found, and confirmed within the quantitative survey, that consumers are willing to pay more for a red than a rosé wine and that willingness to spend is dependent on the style of wine being selected. As shown in Fig. 6.1, the sample of Gen Y consumers was willing to pay an average of R101 for red wine, R85 for white wine and R61 for rosé wine. Therefore, it is suggested for future research to further probe South African wine consumers' perceptions of the different styles of wine.



**Figure 6.1** The top four attributes guiding Generation Y consumer's wine selection and their respective qualitative finding. Circle sizes represent the level of importance of each attribute, with bigger circles showing more importance than smaller circles. Generation Y's average willingness to pay for red, white and rosé wine also shown

In comparison to Gen Y, the importance of attributes guiding the Gen X sample in a wine selection are mostly similar, with the top four attributes remaining pleasant taste followed by experienced it before, trust the brand and price. It is therefore theorized that marketers do not need to create a marketing plan unique to Gen Y consumers. However, the fact that Gen X were found to be more positively associated with a preference for wines that are not sweet should be taken into consideration. So, although pleasant taste is the most important factor for both Gen X and Y, the implications differ for the two.

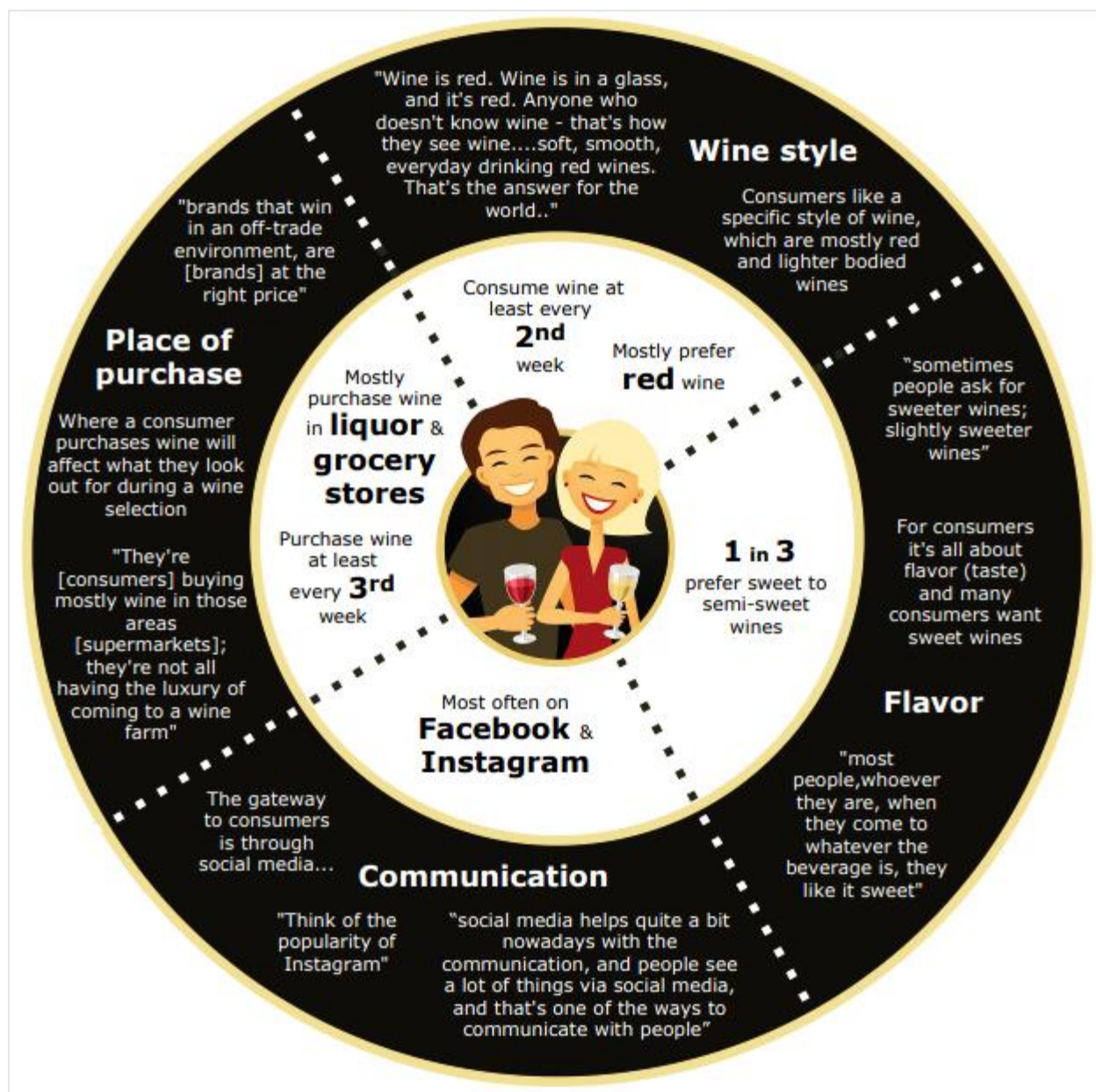
### 6.3 The value of collecting both qualitative and quantitative data

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Through the above findings it was substantiated why it is important to include qualitative as well as quantitative approaches in a research study. For instance, *pleasant taste*, identified as the most important attribute during BWS, as a finding on its own lacks the insight gained through the qualitative findings. The insight gained from the qualitative phase includes the fact that older consumers will prefer dryer styles of wine in comparison to younger consumers. The quantitative phase confirmed that Gen Y are more positively associated with sweet and slightly sweet wines than Gen X.

To further show how the qualitative and quantitative findings complemented each other, key findings from both approaches regarding the wine behavior of the Gen Y sample were summarized in Fig. 6.2. Regarding the theme of wine style, the qualitative and quantitative finding that Gen Y prefer red wines complimented and confirmed each other. Under flavor it was found that approximately 1 in 3 of the younger sample preferred sweet or semi-sweet wines, which was more than for the Gen X sample. Therefore, it was suggested that younger consumers will be more likely to look out for sweeter wines. Regarding the theme of communication, the importance of social media was emphasized. Through quantitative study it was possible to identify the social media platforms most often used by Gen Y wine consumers, namely Facebook and then Instagram. It is thus theorized that marketers should focus on these platforms as a gateway to communicate with consumers. In terms of the place of purchase, the interview findings suggested that the place from which a consumer is purchasing wines would affect what they look out for during a purchase, and that consumers mostly purchase from supermarkets, and thus off-consumption settings. During the quantitative phase it was found that most Gen Y consumer purchase wine from liquor stores and grocery stores, confirming that marketers should focus on the off-con setting such as retail, in which it was said that price becomes important.





**Figure 6.2** Key qualitative (outer circle) and quantitative (inner circle) findings regarding the wine purchase and consumption behavior of the Generation Y sample

## 6.4 Conclusion

In line with the objectives of this study, an exploratory sequential mixed methods design was used to gain a better understanding of the South African Generation Y's wine consumer behavior. The initial exploration of the South African wine consumer market (Chapter 4) assisted in identifying themes that could then be used to design a survey to be tested on consumers (Chapter 5). The use of rigorous qualitative and quantitative methods and the integration of the



two research phases enhanced the reliability of the findings and assisted in gaining a deeper insight and better understanding into South African Gen Y's wine consumer behavior. By comparing Gen Y to Gen X, it was also possible to justify if a marketing approach unique to the former generational group is necessary. The use of mixed methods added to the value of the findings and is thus highly recommended for research pertaining to wine and consumer behavior in future.

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# Addendum



## Section A:

**\*What is your nationality?**

- ☐ South African
- ☐ Other

**\*What is your age?**

**\*In which area do you currently live?**

- ☐ Rural
- ☐ Urban
- ☐ Other:

**\*Select your current employment situation**

- ☐ Employed
- ☐ Unemployed
- ☐ Student
- ☐ Retired

**\*How frequently do you consume wine?**

- ☐ Every day
- ☐ Every week
- ☐ Every second week
- ☐ Every third week
- ☐ Every fourth week
- ☐ Rarely
- ☐ Never

**\*How frequently do you purchase wine?**

- ☐ Every day
- ☐ Every week
- ☐ Every second week
- ☐ Every third week
- ☐ Every fourth week
- ☐ Rarely
- ☐ Never

**\*How long have you been a wine drinker?**

- ☐ Less than a year
- ☐ 1-10 years
- ☐ 11-20 years
- ☐ 21-30 years
- ☐ More than 30 years

**\*Please answer the following questions by selecting YES if you agree with the statement or NO if you disagree**

	Yes	No
I consider myself an expert of wine	<input type="radio"/>	<input type="radio"/>
I feel comfortable talking about wine	<input type="radio"/>	<input type="radio"/>
I find wine to be intimidating	<input type="radio"/>	<input type="radio"/>
I grew up in a family/household that drinks wine	<input type="radio"/>	<input type="radio"/>
I have attended a formal wine tasting before	<input type="radio"/>	<input type="radio"/>
Purchasing wine is an experience I enjoy	<input type="radio"/>	<input type="radio"/>

## Section B:

Below is an example of how the following 13 questions will be structured based on the importance of factors when making a wine purchase. The same options will come up more than once, however it is important to choose the options that are most and least important to you based on your preferences.

	An attractive front label	Brand name	I read about it	Alcohol level below 13%
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Least	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Select next to continue

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and the attribute you consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Recognise the grape variety	Price	Matches my food	It's something different
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	It tells an interesting story	Pleasant taste	Someone recommended it	Recognise the grape variety
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Price	My friends/peers will approve	Suits the occasion	Someone recommended it
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	My friends/peers will approve	Wine stickers/awards	Recognise the grape variety	Appealing label
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Matches my food	Suits the occasion	Pleasant taste	Wine stickers/awards
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	It's something different	Someone recommended it	Wine stickers/awards	Experienced it before
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Experienced it before	Matches my food	It tells an interesting story	My friends/peers will approve
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Someone recommended it	Appealing label	Trust the brand	Matches my food
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Trust the brand	It's something different	My friends/peers will approve	Pleasant taste
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Wine stickers/awards	Trust the brand	Price	It tells an interesting story
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Pleasant taste	Experienced it before	Appealing label	Price
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Appealing label	It tells an interesting story	It's something different	Suits the occasion
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*Please indicate which attributes influence your decision when purchasing wine, by selecting the attribute you consider to be MOST important and consider to be LEAST important**

Check ONLY ONE attribute for each the MOST and LEAST rows in each table

	Suits the occasion	Recognise the grape variety	Experienced it before	Trust the brand
Most	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Least	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



## Section C:

**\*Where do you most often purchase wine? (You may choose more than one)**

- ☐ Tavern
- ☐ Grocery store
- ☐ Restaurant
- ☐ Shebeen
- ☐ Online
- ☐ Club/bar
- ☐ Wine festivals
- ☐ Boutique wine store
- ☐ Wine clubs
- ☐ Wine farm
- ☐ Liquor store
- ☐ Other:

**\*Select all platforms/sources that you use in day to day life - not with regards to wine (You may choose more than one)**

- ☐ Instagram
- ☐ Facebook
- ☐ Television
- ☐ Magazine
- ☐ YouTube
- ☐ Twitter
- ☐ Pinterest
- ☐ Newspaper
- ☐ LinkedIn
- ☐ News24
- ☐ Other:

**\*What is the average price range per bottle RED WINE you would consider when purchasing wine?**

- ☐ Less than R50
- ☐ R50-R100
- ☐ R101-R150
- ☐ More than R150
- ☐ Do not purchase

**\*What is the average price range per bottle WHITE WINE you would consider when purchasing wine?**

- ☐ Less than R50
- ☐ R50-R100
- ☐ R101-R150
- ☐ More than R150
- ☐ Do not purchase

**\*What is the average price range per bottle ROSÉ WINE you would consider when purchasing wine?**

- ☐ Less than R50
- ☐ R50-R100
- ☐ R101-R150
- ☐ More than R150
- ☐ Do not purchase

**\*Which type of still wine do you most usually consume?**


- ☐ Only red
- ☐ Only white
- ☐ Both red and white
- ☐ Mostly red
- ☐ Mostly white
- ☐ Rosé

**\*How sweet do you generally prefer wine to be?**

- ☐ Sweet
- ☐ Slightly/Semi-sweet
- ☐ Not sweet

## Section D:

**\*Please answer the following questions by selecting TRUE if you agree with the statement or FALSE if you disagree**

	TRUE
Method Cap Classique wines are bottle fermented	<input type="radio"/>
Pinot Noir is a red wine variety	<input type="radio"/>
Rosé is primarily made by mixing together red and white wine	<input type="radio"/>
Only red wines can be aged	<input type="radio"/>
The cultivar/variety of the wine refers to the type of yeast used during production	<input type="radio"/>
Raspberry, plum and black cherry flavours describe Chardonnay wines best	<input type="radio"/>
The glass represented by B is the ideal/typical shape for drinking white wine	<input type="radio"/>
 A B C D	

## Section E:

**\*What is your gender?**

- ☐ Female
- ☐ Male

**What is your gross monthly household income (before deductions, e.g. tax)? (Not compulsory)**

- ☐ Under R5000
- ☐ R5001 – R15000
- ☐ R15001 – R25000
- ☐ R25001 - R35000
- ☐ R35001 – R45000
- ☐ R45001 – R55000
- ☐ Over R55001

**\*What ethnic group do you belong to?**

- ☐ Coloured
- ☐ White
- ☐ Indian
- ☐ Black
- ☐ Other:

**\*Which province do you currently live in?**

- ☐ Free State
- ☐ Western Cape
- ☐ Northern Cape
- ☐ Eastern Cape
- ☐ Gauteng
- ☐ Mpumalanga
- ☐ Limpopo
- ☐ KwaZulu-Natal
- ☐ North West